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SPECIAL FEED GRAIN PROGRAM FOR 1961

HEARING
BEFORE THE
COMMITTEE ON
AGRICULTURE AND FORESTRY
UNITED STATES SENATE
EIGHTY-SEVENTH CONGRESS
FIRST SESSION
ON
S. 993

A BILL TO PROVIDE A SPECIAL PROGRAM FOR FEED
GRAINS FOR 1961

FEBRUARY 23, 1961

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SPECIAL FEED GRAIN PROGRAM FOR 1961

THURSDAY, FEBRUARY 23, 1961

U.S. SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C.

The committee met, pursuant to call, at 10:10 a.m., in room 324, Senate Office Building, Senator Allen J. Ellender (chairman) presiding.

Present: Senators Ellender, Johnston, Holland, Talmadge, Proxmire, Young of Ohio, Hart, McCarthy, Neuberger, Young of North Dakota, Hickenlooper, and Mundt.

The CHAIRMAN. The committee will please come to order.

The committee is meeting this morning to hear testimony on the so-called corn and other feed grain bill.

We are told that unless legislation is enacted soon it will not be effective in that corn and other grains would be planted in quantities, beginning March 1 in some areas of the country, therefore, we must proceed without delay.

We are privileged this morning to have with us our Secretary of Agriculture, Mr. Freeman.

This is his first appearance as a witness, and I hope, Mr. Secretary, that you will do well, and that you will——

[Laughter.]

Secretary FREEMAN. I share that hope, Senator. [Laughter.]

The CHAIRMAN. And that you will present your views as you see them.

Secretary FREEMAN. Yes, sir.

The CHAIRMAN. I do not suppose that you would mind a few interruptions from us as we go along?

Secretary FREEMAN. I would appreciate that.

The CHAIRMAN. Or would you prefer to have your statement presented, read your statement—I presume you have one?

Secretary FREEMAN. Yes, sir.

The CHAIRMAN. And then be questioned. We will be glad to accede to your wishes, this being your first appearance here.

Secretary FREEMAN. Thank you.

Senator JOHNSTON. May I also add that we hope you are going to give us a solution to the feed grain problem we are facing at the present time.

The CHAIRMAN. Before proceeding, I would like to place in the record at this point a communication from the President addressed to the Honorable Lyndon B. Johnson, Vice President, dated February 16, 1961, and a memorandum from the Secretary of Agriculture

which accompanied the communication; as well as a copy of the proposed bill.

(The documents referred to follow:)

THE WHITE HOUSE,
Washington, February 16, 1961.

HON. LYNDON B. JOHNSON,
President of the Senate,
U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: I am transmitting herewith a bill to provide a special program for feed grains for 1961. I urgently recommend to the Congress the enactment of this emergency program so that it can cover the 1961 crop.

The existing program has failed. It has resulted in the accumulation of a burdensome and dangerous surplus, mainly of commodities for which there is no adequate outlet even under our expanded programs of providing food for those in need. At the same time, it has failed to protect farm income, and it is threatening to drive down the prices farmers receive for hogs, cattle, poultry and eggs, and milk to disastrous levels. If this program is allowed to continue in effect for this year's crop, the stocks in Government hands will reach even more alarming proportions, a virtually unmanageable storage problem will be created, farm income will continue to suffer, and large amounts of Government funds will be needlessly expended. Immediate action is required to prevent further deterioration of this situation. In order to be effective with respect to this year's crops, a new program should be authorized by March 1.

I believe that any legislation enacted should fit our overall goal to use our agricultural abundance to meet the needs of our people and at the same time provide a fair income for those who produce that abundance. We need to shift our production from commodities of which there is an unmanageable surplus to commodities for which there is a need, even as we curtail our production of those surplus commodities. The Secretary of Agriculture already has authority to take steps toward these goals with regard to some commodities, such as milk, soybeans, and cottonseed, pork, poultry and eggs. However, new legislation is needed for effective action with respect to corn and other feed grains. The legislation I am now recommending will fill this gap with the authority needed to round out an emergency program for this year in the feed grain sector of our farm economy.

Although this is an emergency program, it is consistent with our long-range objectives and would accomplish the following: (1) A moderate increase in farm income; (2) a saving of several hundred million dollars of Government funds; and (3) a holding down or reduction of surplus stocks to more manageable proportions. This will be done without any material effect upon consumer prices.

The Government now holds 2.7 billion bushels of feed grains. The investment in feed grains stands at the all-time high of nearly \$4 billion. The 1961 crop will soon be planted. By this fall, the Nation will be confronted once again with a shortage of space in which to store grain. The shortage may amount to the off-farm space required for as much as 200 to 250 million bushels if we fail to take any preventive action now. The storage problem will be further accentuated in 1962.

The legislative proposals submitted herewith (1) would provide that cooperators would receive a support price of \$1.20 a bushel for corn for 1961, and would receive supports for other feed grains in relation to those for corn; and (2) would authorize a special agricultural conservation program under which acreage previously planted to feed grains would be diverted from production for 1961. Unlike the present program under which a support price of \$1.06 a bushel is paid to all producers without regard to any limit on production, producers will not be eligible for price supports under this new program unless they cooperate in the special agricultural conservation program.

This emergency program covers only the 1961 crop. I intend to recommend to the Congress other legislation covering both wheat and feed grain crops for subsequent years.

There is attached hereto a letter from the Secretary of Agriculture setting forth the details of the program. It is important that it be accorded the prompt consideration of the Congress.

Sincerely,

JOHN F. KENNEDY.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, February 16, 1961.

Memorandum.

To: The President, The White House.

From: The Secretary of Agriculture.

DEAR MR. PRESIDENT: The emergency feed grain program for 1961 is described in detail below. This program will, I believe, achieve the objectives for the feed grain economy outlined in your letter transmitting proposed feed grain legislation to the Congress.

1. Each producer will be asked to shift to a soil conserving use 20 percent of the acreage he had planted, during the base period 1959-60, to corn, grain sorghums, or other feed grains. The Secretary will prescribe the use of these diverted acres for conservation purposes. Producers cooperating in the program will receive payments under the special conservation program equal to 60 percent of the gross value of a year's normal production on the diverted acres. A corn grower in an area where the corn support price is the proposed national average of \$1.20 would compute his payment by multiplying 60 percent of the support price, 72 cents, by his normal corn yield. If his yield was 50 bushels an acre, his payment for shifting 20 percent of his corn acreage would be 50 times 72 cents, or \$36 per acre.

2. The cooperating producer will be eligible, at his option, to divert additional feed grain acreage into a soil conserving use. For this he will be paid in kind from Government stocks of grain at the rate of two-thirds of his normal yield per acre. These payments-in-kind will be made by issuing certificates which the producer can redeem in grain or in cash at his option. If redeemed in cash, the Commodity Credit Corporation will sell enough grain on the market to cover the cost. The producer can receive these payments-in-kind for shifts up to 20 percent of his feed grain acreage, making a total shift of up to 40 percent.

3. A producer who cooperates by shifting at least 20 percent of his acreage from feed grain production will, in addition to the special conservation payment he receives, be eligible for price supports at a national average rate of \$1.20 a bushel for corn and related rates for other feed grains. Producers who do not cooperate will not be eligible for price supports on corn or other feed grains.

4. The Commodity Credit Corporation would be authorized to sell during the marketing year for the 1961 crop, at current market prices, as much grain as the successful management of this feed grain program requires. The knowledge that these stocks could be placed on the market would encourage producers to participate in the program rather than gamble on market prices.

5. Support prices for soybeans will be raised to \$2.30 per bushel and the support price for cottonseed raised to a competitive relationship with soybean support prices. This will encourage the diversion of a part of the current feed grain acreage to soybean production. World supplies of high protein meals and vegetable oils are in short supply and the increase in soybean production achieved by the higher price supports can be used to meet current world needs.

The estimated cost to the Government of the conservation payments under this program is from \$400 to \$500 million. There would be an outlay also for payments-in-kind, but these would be more than counterbalanced in time by savings made possible by reducing stocks that require expensive storage and by reducing production of grain that would be eligible for price support loans if produced. There would also be some outlay for price support loans, but, with a reasonably high degree of cooperation among farmers, total feed grain production would be brought more nearly into line with demand so that prices will rise and Government stocks will be absorbed in the market. Thus, the total estimated cost of the program in the long run is only the cost of the conservation practice payments—\$400 to \$500 million. This would replace the estimated expenditures under the existing program of \$1.5 to \$1.6 billion, of which we could expect to recover eventually only \$500 million. The net saving under the proposed special program as compared with the existing program would be in the order of \$500 million.

The case for the proposed special program, however, does not rest on estimated savings regardless of how important those may be. Other reasons are impelling.

The gross income of the average feed grain producer would be increased substantially under this program and his net income even more.

In addition, the wasteful buildup of feed grain stocks would be brought to an end, thus alleviating an acute shortage of storage space in the fall of 1961 and avoiding a needless further increase in storage costs. Present Government holdings of feed grains would also be reduced to some extent. Consumer prices will not be affected measurably.

A draft of appropriate legislation to authorize this program is attached. I urge the Congress to enact this legislation speedily. I also respectfully urge the Congress not to complicate the consideration of this legislation by coupling other matters with it and thus inviting delay. Time is of the essence in this matter.

The people are looking to us to find solutions to some of the problems plaguing American agriculture. They would not look kindly upon a failure to avail ourselves of an opportunity to take what is so plainly a forward step.

Sincerely yours,

ORVILLE L. FREEMAN,

[S. 993, 87th Cong., 1st sess.]

A BILL To provide a special program for feed grains for 1961

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection:

"(c) Notwithstanding any other provision of law—

"(1) the level of price support for the 1961 crop of corn shall be \$1.20 per bushel;

"(2) the level of price support for the 1961 crop of oats, rye, barley, and grain sorghums shall be such level as the Secretary determines is fair and reasonable in relation to the level of price support for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors set forth in section 401(b) hereof;

"(3) the Secretary shall require as a condition of eligibility for price support on the 1961 crop of corn, grain sorghums, and any other feed grain which he may designate that the producer shall participate in the special agricultural conservation program for 1961 for feed grains to the extent prescribed by the Secretary."

SEC. 2. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(c) Notwithstanding any other provision of law—

"(1) the Secretary shall formulate and carry out a special agricultural conservation program for 1961, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation practice payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn, grain sorghums, and such other feed grains as the Secretary may designate, to an approved conservation use;

"(2) obligations under such program may be incurred in advance of appropriations therefor (i) for payments in cash in an amount not exceeding \$500,000,000, and (ii) for payments-in-kind for diversion of acreage, within such limits as the Secretary may require, in addition to that required to be diverted in order to be eligible for price support. Payments-in-kind shall be made through the issuance of certificates redeemable by the Commodity Credit Corporation in accordance with regulations prescribed by the Secretary for feed grains or, at the option of the producer to whom the certificate is issued, for cash. To the extent such certificates are redeemed for cash, Commodity Credit Corporation shall sell a sufficient quantity of feed grains at the market price to cover the cost of such cash redemptions;

"(3) there are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(c). The Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1961."

SEC. 3. Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized to sell any feed grain at market prices during the marketing year for the 1961 crop of such feed grain.

The CHAIRMAN. Now, Mr. Secretary, the stage is yours, and you may proceed, sir.

STATEMENT OF HON. ORVILLE L. FREEMAN, SECRETARY OF AGRICULTURE

Secretary FREEMAN. Thank you very much, Mr. Chairman, members of the committee, and ladies and gentlemen.

First might I express my appreciation to the chairman and to the members of this committee for permitting me to appear so early in the session.

I am grateful to you also for the privilege of discussing this program with you over the past some 4 weeks as we have tried to evolve something that would meet a critical situation, as we see it.

I might say that I do not come before this committee with illusions as to knowing all the answers or having anticipated all the contingencies. I would only say to the committee that we have burned some midnight oil, have tried to anticipate every contingency that might flow from our recommendations, and we believe that under all the circumstances this is the best program to meet the circumstances and the almost crisis, if I may use that word, with which we are faced now.

I will most certainly welcome interruption at any time and to seek the advice and counsel of this committee in connection with it.

I have been a chief executive of a State, and am well aware of the fact that the Executive may propose but the Legislature disposes.

The CHAIRMAN. Disposes.

Secretary FREEMAN. Either way. [Laughter.]

And I think it is in the vigorous interchange between the two that we get the closest to the best returns and results, and I only wish that I had had the experience of the members of this committee in reviewing year after year this and comparable problems.

First, might I ask your attention to the bill, to make some minor changes that have come to light since the bill was sent here and printed.

On page 3, beginning with line 4, if you would cross out beginning with the word "in" and go on "in addition," all of the next line, and the words "for price support" in the sixth line, it would be our recommendation, as this testimony is presented, that the bill be so adjusted; and asking your attention to section 3, to add on to section 3 after the words "feed grain"—

The CHAIRMAN. What line is that?

Secretary FREEMAN. That would be at line 25, at the end of the page and the end of the bill. We have, and are distributing, that language at this moment, so it probably might not be necessary for you to write it in, but it would say as follows:

Provided, That (except for sales to cover the cost of cash redemptions of payment-in-kind certificates) sales of any feed grain shall not be made at a price below the support price which would be in effect if the support level for the 1961 crop of such feed grain had been established under section 105 (a) and (b) of the Agricultural Act of 1949, as amended.

I might just explain that this, in effect, says that should the Congress see fit to give the Secretary the authority which is requested to

release certain stocks into the market as a method of attempting to obtain compliance, that he would not be allowed to do so in such quantities that the price might drop below \$1.05, which would be the present support price.

In other words, this addition limits the authority which otherwise would go by this bill under section 3 to the Secretary.

The CHAIRMAN. Does that mean that you could not reduce the price of the commodity less than what the old support price was?

Secretary FREEMAN. Correct. The Senator has stated it well.

The CHAIRMAN. Wouldn't that have the tendency of permitting growers to take a chance? If the price is not below \$1.05, why should they go into the program? Wouldn't it have that effect?

Secretary FREEMAN. It might have that effect, and I think the Senator's question has gotten immediately to the point at issue.

As the section was initially phrased, the Secretary would not be so limited and might act so the price would fall lower.

I had gotten a number of complaints in connection with this, and the feeling that this was, perhaps, more power and discretion than the Secretary should have, and I am just being conservative. If this committee felt I ought to have more authority, I would be happy to use it to the best of my ability.

The CHAIRMAN. Well, would you be able to tell who were the chief complainants?

Secretary FREEMAN. Really—and I am not trying not to answer the question directly—it was just the general reaction. When we reread some previous testimony before this committee or the House committee, there was very sharp expressions, in connection with that amount of authority being granted, and by the Members of the Congress, I have forgotten the particular Members. This took place, as I recall, in 1956, and it occurred to me that if the members of this committee and the House committee had felt very strongly about that, that it might be a good proposal to limit this authority a bit, still retaining its essence, which would be the power to release grain in the market so the noncomplier could not profit in any event because he would not get any more than he would be getting this year.

The CHAIRMAN. Well, now, under the language as you propose it, what about the storage costs and the interest charges? Would that be added to the cost of that grain and thereby make it sell for a greater amount than the support price?

Secretary FREEMAN. No it would not. The intent of this provision is to permit the Secretary to sell corn at the market price but not lower than \$1.05 in 1961.

The CHAIRMAN. So you would be compelled to do that under the law, would you not?

Secretary FREEMAN. Under the present law we would have to sell at 105 percent, plus the carrying charges.

The CHAIRMAN. What would that be, about, in your estimation, according to your view?

Secretary FREEMAN. I would expect that would vary with the amount of time the corn would be held.

**STATEMENT OF DR. WILLARD W. COCHRANE, ECONOMIC ADVISER
TO THE SECRETARY OF AGRICULTURE**

Dr. COCHRANE. I think it is between \$1.15 and \$1.20.

Secretary FREEMAN. Between \$1.15 and \$1.20.

The CHAIRMAN. So that would give a further advantage to the non-complier in that if the corn that the Government owns is to be sold at \$1.15, why, he could produce the amount he wants, and get only 5 cents a bushel less than the guaranteed price to the one would comply; isn't that right?

Secretary FREEMAN. No, sir, I do not think so.

The CHAIRMAN. All right. I want to have that clear; let us make that clear.

Secretary FREEMAN. This would mean, this law as amended, that the Secretary could release corn so long as the price on the market did not fall lower than \$1.05. Therefore, the present provision to which you referred would be suspended by this section, and that is the purpose.

The CHAIRMAN. So that then you could not sell for less than the support price.

Secretary FREEMAN. Yes.

The CHAIRMAN. The whole support price.

Secretary FREEMAN. Yes, sir; that is the purpose of the amendment.

The CHAIRMAN. Don't you agree that that would have been an inducement to many large growers to keep on growing corn, as they have in the past, because they would be almost assured the price of \$1.05.

Secretary FREEMAN. Well, this might well be.

As I say, Senator, if this committee saw fit to remove that restriction and restore the bill to where we started with it, I would certainly not object.

The CHAIRMAN. Well now, will you tell us what prompted you to do that?

Secretary FREEMAN. Yes, sir. May I get to that? There is prepared testimony here.

The CHAIRMAN. Before you proceed, off the record.

(Discussion off the record.)

The CHAIRMAN. Proceed.

Senator YOUNG of North Dakota. May I ask a question?

The CHAIRMAN. Yes.

Senator YOUNG of North Dakota. I believe, Mr. Secretary, this provision permitting the Secretary to sell Government stocks at market price is the most objectionable one of your whole proposal. I think it would go further than the chairman of the committee indicated.

It would have a tendency, I think, to hold the cash price always below the support level, and this would mean that few people would be inclined to hold corn or other feed grains, instead they would want to dump them on the Government. Holding the cash price below the support level would make the program far more costly than it should be.

This is a provision that the former Secretary of Agriculture, Secretary Benson, asked for, and the committee refused to approve, and I would certainly be very much opposed to this provision.

It has other objectionable features, but this is the most objectionable.

Secretary FREEMAN. Senator, might I present the affirmative statement, would that be permissible?

The CHAIRMAN. Yes.

Senator TALMADGE. May I ask about something else, and you can answer Senator Young and Senator Ellender at the same time.

There is this, however, on page 3, line 6, and I also read it in the letter:

Payments in kind shall be made through the issuance of certificates redeemable by the Commodity Credit Corporation in accordance with regulations prescribed by the Secretary for feed grains or, at the option of the producer to whom the certificate is issued, for cash. To the extent such certificates are redeemed for cash, Commodity Credit Corporation shall sell a sufficient quantity of feed grains at the market price to cover the cost of such cash redemptions.

If I understand that correctly, it would be sold for whatever it would bring on the market, with no support prices at all.

Secretary FREEMAN. Yes, sir.

Senator TALMADGE. So I think that must be considered in conjunction with a point that was raised by the chairman and also by Senator Young.

There are two areas for sale. One is where the farmer plants the additional 20 percent of his acres, that is optional, in the conservation reserve, for which he can receive in return feed grains or certificates for which he may demand cash, and if he demands cash for them the Commodity Credit Corporation must, in turn, sell an equivalent amount of grain to raise the cash.

So apparently it would move on the market at two different prices, one, the support price; the other, this proposition of payment in kind or demand in cash in lieu thereof, so the Secretary would probably want to address himself to both areas in his reply.

Secretary FREEMAN. I will.

The CHAIRMAN. Mr. Secretary, may I say this to you, sir, that if at any time you desire to consult with your people, do so.

Secretary FREEMAN. Thank you.

The CHAIRMAN. We will give you every opportunity to answer.

Secretary FREEMAN. Thank you, Senator. You are very kind and thoughtful.

First of all, there is a statement here. I am not going to burden this committee with reading it. You can read it much faster than I could read it to you.

(The prepared statement of Secretary Freeman follows:)

Mr. Chairman and members of the committee, the prompt consideration which your committee is giving to the emergency feed grain proposals submitted by President Kennedy is greatly appreciated, especially by the farm people of the Nation.

The emergency program which has been proposed will, in our judgment, meet the serious situation in the feed grain-livestock economy with benefits to the producer, the consumer, the taxpayer and the American economy as a whole.

Specifically, it will do these things:

First, it will assure increased income for participating farmers in the important feed grain sector of our agricultural economy.

Second, it will assure the consumer of fair and stable prices for meat, poultry and dairy products.

Third, it will cost the taxpayer some \$500 million less than the present program.

And fourth, it will reduce the Government's holdings of feed grains.

A feed-grain livestock complex is the largest part of our agricultural economy. It is vitally important. It accounts for nearly two-thirds of gross farm receipts.

The existing program combining price support with unlimited production has not worked. It has resulted in the accumulation and buildup of huge stocks of feed grains. It has lured and threatens to lure producers into expanding, far beyond what current markets can absorb at fair prices, the production of poultry, eggs, dairy products, and meat.

If the current program of price supports on unlimited production of feed grains is allowed to continue, even this year, surplus stocks in Government hands will reach even more alarming proportions. A virtually unmanageable storage problem will be created. Farm income will drop further. And additional millions of dollars will be needlessly spent.

It is only reasonable then that a change in the present direction is in order. The Government now holds from previous crops some 2.7 billion bushels of feed grains. The investment is at an alltime high of nearly \$4 billion. If the present program is permitted to continue, the Government will be required to acquire 610 million bushels of feed grains from the 1961 crop and prior crop residuals in the calendar year 1962. The cost of acquisition will be approximately \$603 million. Based on experience, the storage and handling charges prior to the time of disposition of these grains will cost the American public another \$959 million. The total investment, therefore, would be more than \$1½ billion.

If we assume that these grains will eventually be moved at their full acquisition value, the net expense to the public would still be more than a billion dollars. But this is only part of the dollar cost; unless we begin action now to bring order and balance into the total feed grain picture, the livestock economy will likely be in chaos in the next few years, and farm income will be at ruinous levels.

What is the alternative to this situation?

It is, we believe, along the lines of the legislation presented to the Congress by the President in his letter to the Speaker on last Thursday.

With prompt enactment of this legislation, the Department of Agriculture can place into effect an emergency feed grain program to be effective for the 1961 crop.

The program is a voluntary one. It gives to the producers an opportunity to cooperate in a program which will bring our feed grain supplies more nearly in line with needs. No producer will be required to participate. It would be operated through the farmer committee system, which has earned the confidence of the people—farm and nonfarm people alike.

The program will be considerably less expensive than the existing program.

The estimated cost to the Government of the conservation payments under this program is from \$400 to \$500 million. There will be an outlay also for payments-in-kind, but these will be more than counterbalanced in time by savings made possible by reducing stocks that require expensive storage and by reducing production of grain that would be eligible for price-support loans if produced. There may also be some outlay for price-support loans, but with a reasonably high degree of cooperation among farmers, total feed grain production will be brought more nearly into line with demand so that prices will rise and Government stocks will be absorbed in the market. The total estimated cost of the program in the long run will be the cost of the conservation payments—\$400 to \$500 million. This will replace the estimated expenditures under the existing program of \$1.5 to \$1.6 billion of which we could expect to recover eventually not more than \$500 million. The net saving under the proposed special program as compared with the existing program would be on the order of \$500 million.

To the cooperating farmer, this program offers an opportunity to increase both his gross and net returns.

To the taxpayer, the proposed program offers an end to the wasteful buildup of feed grain stocks; in fact, we believe under this program we will be able to reduce the stocks held by the Government.

To the consumer, in addition to the ultimate savings of their tax dollars, this program offers a continued supply of abundant high-quality food at fair and stable prices.

I would like now to present the major features of this program, with a brief discussion of the legislative and administrative requirements.

The legislation proposed to you by the President would do these things:

1. Establish for 1961 a special agricultural conservation program to encourage producers to divert feed grain acreage to soil-conserving uses;
2. Make participation in this special program a condition of eligibility for price supports on feed grains;
3. Permit payments-in-kind out of Government stocks of feed grains to producers who divert acreage out of feed grain production.
4. Increase the level of price supports for feed grains to assure the producer a more reasonable return from each bushel he produces;
5. Permit the Government to sell stocks of feed grains at market prices in order to avoid holding a price umbrella over noncooperators.

The producer had several choices to make. First, does he want to take part in the program? He becomes a cooperator by diverting at least 20 percent of his base acreage from corn, grain sorghum, or other feed grains to a soil conserving use. (The base period to be used in computing acreage history is 1959-60.) When he takes this step, he becomes eligible for price supports on his feed grain production. The national average rate proposed for corn is \$1.20 a bushel, with rates for other feed grains in relation thereto. He also becomes eligible for a payment under the special agricultural conservation program. This is made at the rate of 60 percent of the support price for the normal yield per acre. The producer who lives where the corn support price is exactly the national average can compute his rate as 60 percent of \$1.20 or 72 cents times his yield in the base period. If that was 50 bushels an acre, the payment per acre is \$36.

After deciding to take the basic step of diverting 20 percent of his feed grain acreage, the producer makes another decision. Does he want to divert a larger amount? He can obtain additional benefits by diverting up to 20 percent more of his base acreage. For each additional acre, he can earn payments-in-kind at the rate of two-thirds of his normal yield. If his corn yield was 50 bushels, his payment-in-kind will be $33\frac{1}{3}$ bushels per acre. His payment will be in the form of a certificate which he can redeem in grain or in cash as he wishes. If he chooses cash, the Commodity Credit Corporation will sell enough grain to cover the cost.

With the proposed new program in effect, the farmer who does not participate will have to take his chances on an unsupported feed grain market.

We can go into the details of the program to whatever extent you wish. However, before completing this initial presentation, I would like to discuss some charts which portray the feed grain situation.

NEW PROGRAM WILL REDUCE COSTS

Outlays under
existing program

\$1,562 MILLION
INTEREST COSTS 3%
\$194 MILLION
TRANSPORTATION \$120 MIL.

STORAGE AND HANDLING
\$845 MILLION

ACQUISITIONS
\$603 MILLION
ACQUISITIONS OF 1961 CROP
AND PRIOR CROP RESIDUES IN
CALENDAR YEAR 1961

Net cost of
existing program

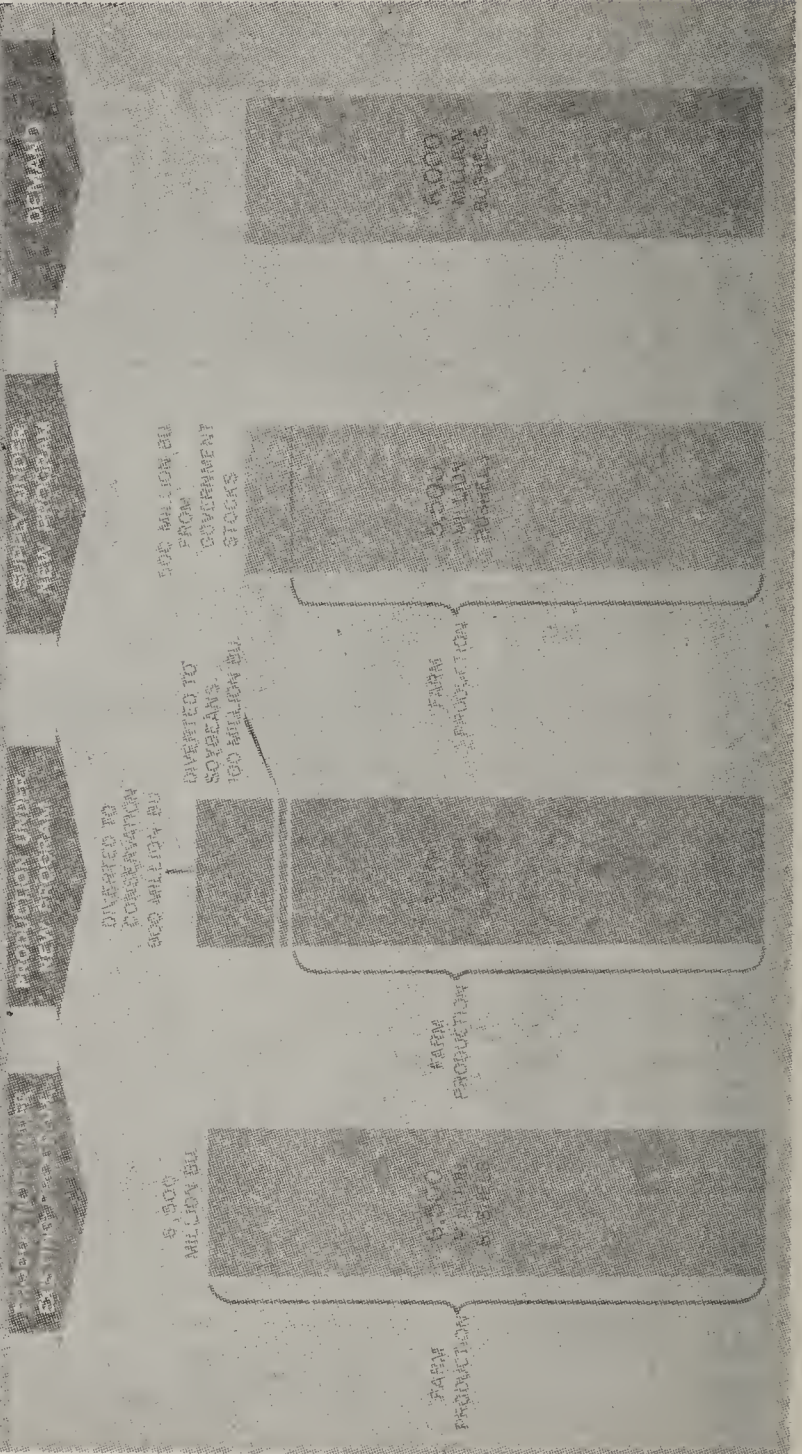
\$1,000 MILLION
NET
COST

Cost of
New program

\$500 MILLION
PAYMENTS TO FARMERS

\$1,000 MILLION
NET
COST

NEW PROGRAM WILL REDUCE GOVERNMENT STOCKS



NEW PROGRAM WILL INCREASE FARM INCOME

OLD PROGRAMS

SOY BEANS
20 ACRES

20 ACRES X 24 BU.
PER ACRE X \$1.00
PER BUSHEL

\$ 960

CORN
100 ACRES

100 ACRES X 50 BU.
PER ACRE X \$1.05
PER BUSHEL

\$5,250

ACRES

INCOME \$6,210

NEW PROGRAMS

(120 ACRES)

20 ACRES X 50
BUSHELS PER
ACRE X 60%
OF \$1.20

\$ 720

CONSERVATION
20 ACRES

\$1,932

35 ACRES X 24 BU.
PER ACRE X \$2.30
PER BUSHEL

55 ACRES X 54 BU.
PER ACRE X \$1.20
PER BUSHEL

\$4,212

ACRES

INCOME \$6,864

Secretary FREEMAN. I would prefer to quickly summarize it, and then get to the heart of the kind of questions that Senator Young and Senator Talmadge have just addressed to me.

First, might I say that this is an emergency program. We are not dealing with the most desirable alternatives, but we are facing an immediate problem, and I would ask the committee to, perhaps, approach this solution in that light.

One of the first things that came to my attention when I was honored to be designated as Secretary of Agriculture, and subsequently confirmed, for which I am indeed grateful, was the nature of the feed grain problem; that we have in storage something in the neighborhood of 2.7 billion bushels of feed grain that is valued at about \$4 billion; and that, assuming the average by way of weather and planting, there will be added to that stock some 600 to 700 million bushels more this year, which will cost the Government \$1.5 billion, some of which might be redeemed when it is eventually sold. That is the purpose of this initial chart here, which I trust you might be able to see.

If nothing is done, we will acquire that amount of grain, feed grain.

In the process of acquiring it, we will have an acquisition cost of \$603 million, storage and handling based on historic experience which will take place over a period of approximately 10 years at a cost of \$645 million; transportation, \$120 million; interest, \$195 million; for a total of \$1,562 million.

Senator TALMADGE. That is on this year's production?

Secretary FREEMAN. That is on this year's production that would go into so-called surplus, Senator; yes, sir.

Now the net cost of the program that we assume that eventually we will dispose of, that we will dispose of it at \$562 million, although it may take us 10 years, based on present experience, and it would end up \$1 million net cost—\$1 billion net cost, not \$1 million.

I come from a State, as a Governor, where I was used, gentlemen, in dealing with millions. I have not graduated to billions, but I make that mistake every once in a while.

But the final difference, of course, is the \$500 million, which is what it will cost; what this program will cost is \$500 million.

So this is the nature of the problem that is an immediate emergency one that, in the judgment of the Secretary and the Department, calls for action, and again I am grateful to you for responding in such a rapid fashion.

Now the program in question, if I may outline it, is very simple. We do not have time to have a referendum and have what I would call a democratic program.

If I might address myself to the semantics of agriculture a little bit, the word "compulsory" is one that I have not really liked too well, and I do not think any of us do, and it has always seemed to me if two-thirds of the producers vote for a program it is not a compulsory program, it is a democratic program, and I think anybody who ran for public office who would get two-thirds of the vote would feel he was democratically elected.

At any rate, there is not any time to get that kind of a program, so what we have to set out to do is to literally buy acres out of production.

If we are going to not produce this much, we are going to have

to make it attractive enough to the average farmer so when he gets out his pencil and calculates this it is going to be worth his while, otherwise this program is not going to work; and so we have the only alternative which is a buying of acres out of production.

Now how are we going to buy them out of production? We felt the best way to do this is a combination of a number of things, but, primarily, a conservation program which would call for the retirement of certain lands to prescribed conservation purposes.

We would hope that some 20 percent of the feed grain acres would respond to this if payments were made on the basis of 60 percent of his gross return from those acres.

In other words, take the number of bushels he produced, multiply it by a new support price of \$1.20, which is a part of this, and take 60 percent of that, and you get the figure that is in the testimony. I will not bother to relate the detailed figures.

This provides a package that farmers would find acceptable: the combination of \$1.20 support price on his remaining acres, plus 60 percent of what the gross return would be on the 20 percent of the acres that he would take out.

In addition, with the idea in mind of decreasing somewhat the present stocks, and I do not like the word "surplus" particularly, but so-called surplus stocks, we would have a payment-in-kind proviso that he could take out up to 20 percent of his acres, and he could get payment in kind of $66\frac{2}{3}\%$.

So the combination of this, we felt, would make a good enough offer that, in effect, the farmer would buy it.

The CHAIRMAN. Now, Mr. Secretary—

Secretary FREEMAN. Yes, sir.

The CHAIRMAN (continuing). At that point, as I recall reading the law, this second proposal of a 20-percent cut can be in kind by giving a certificate which is redeemable in cash.

Secretary FREEMAN. Yes, sir.

The CHAIRMAN. So he could get cash both ways, could he not?

Secretary FREEMAN. Well, no, sir. This is purely an administrative method which accomplishes the same result as a payment in kind, and it goes to Senator Talmadge's question.

If we gave a farmer a hundred bushels of corn as a payment in kind, he could turn around and sell it or he could use it on his place or he could store it.

Now I would submit to you that it would be exactly the same thing if you gave him a certificate. If he is going to use the corn he will go get it. If he is not going to use the corn he will sell it, and he will be adding to the market, and it would save us the problem administratively of conceivably shipping corn around the country.

So I would submit to you, sir, that the fact that this certificate is redeemable in cash—cash that is acquired by releasing that same amount into the market from CCC stocks—accomplishes the same end as if you took a hundred bushels of corn in a basket and gave it to him on his farm.

The CHAIRMAN. Well now, at what price would this certificate be redeemed by the Commodity Credit Corporation?

Secretary FREEMAN. The Commodity Credit Corporation would redeem it at the then market price.

The CHAIRMAN. Which would be?

Secretary FREEMAN. I do not know what it would be.

The CHAIRMAN. Well, it could be below the support price.

Secretary FREEMAN. It could be below the support price.

The CHAIRMAN. And the farmer himself, of course, could attain that same end by selling it——

Secretary FREEMAN. Yes, sir.

The CHAIRMAN (continuing). In the open market himself.

Secretary FREEMAN. Yes, sir; that is the point.

The CHAIRMAN. When you say that this program will cost \$500 million, do you take into consideration the second alternative of the payment-in-kind for an additional 20 percent?

Secretary FREEMAN. No, sir.

The CHAIRMAN. So that the program might cost a good deal more than the \$500 million that you ask authority for here.

Secretary FREEMAN. To the extent that present food grains in storage were returned to the market as payments-in-kind, it would decrease those costs or decrease those stocks; it would remove the cost of storage and handling, and would move in the direction of solving the problem that I think we want to solve. But it would mean that we would have that much less corn and that much less value on hand.

The CHAIRMAN. Well now, what is your estimate, if you have any, of the acreage that would be taken out of cultivation on your first plan, that is, by a cash payment?

Secretary FREEMAN. Approximately 14 million acres.

The CHAIRMAN. 14 million acres. That is what percentage of the number of farms?

Secretary FREEMAN. About 20 percent of the acres. We are taking acres out; we hope we are taking acres out, and not farms.

The CHAIRMAN. Twenty percent of the acres.

Secretary FREEMAN. Mr. Cochrane, if I make a mistake you correct me now.

Senator TALMADGE. That would assume then that any farmer——

The CHAIRMAN. One minute, Senator Talmadge. I want the record to be correct, and if any of you differ here with Mr. Freeman, from the boss, please correct us. I know he will not mind it, being new. All of us make mistakes. I have been here 25 years and, of course, I make mistakes now and then, but seldom. [Laughter.]

Secretary FREEMAN. These are my coaches.

The CHAIRMAN. I understand. Any time you want to interrupt just give your name. You won't mind it, Mr. Secretary? You won't be abashed?

Secretary FREEMAN. No, sir.

Dr. COCHRANE. We are estimating that what we will get will be 60 to 70 percent participation, and that this will result in approximately 14 million acres that will go into conservation usage.

The CHAIRMAN. Is that as to both options, cash or just the cash——

Dr. COCHRANE. Just cash.

Secretary FREEMAN. This will be the cash.

The CHAIRMAN. All right. Now how much do you anticipate on the second option of payment-in-kind or cash?

Senator YOUNG of North Dakota. Before he leaves that, Mr. Chairman, could he state how many acres of corn?

The CHAIRMAN. 14 million.

Senator YOUNG of North Dakota. Corn and different commodities; do you have that?

Senator TALMADGE. And different commodities.

Secretary FREEMAN. I do not have that figure in my head.

Senator YOUNG of North Dakota. Corn and other feed grain?

Secretary FREEMAN. It is 11.6 of corn and 2.2 of sorghums, which would come to 13.8.

The CHAIRMAN. Can you give us the same estimates that you anticipate on the second plan; have you figured that out?

Dr. COCHRANE. I will defer to the Secretary, but I will help him if he wants me to.

The CHAIRMAN. Proceed.

Dr. COCHRANE. Well, we are more in doubt as to what farmer participation will be on this. But the estimates that we are using, which we think are realistic, are that we would get about 200 million bushels of corn out, and if we divide 50 into that, about 4 million acres.

The CHAIRMAN. 4 million acres?

Dr. COCHRANE. Yes, that is the estimate we are using.

But we would like to say to you whereas we think our first estimates are quite firm, we have more question of what participation we are going to get on this payment-in-kind thing. It could be, I think considerably more; it could be considerably less, but 200 million bushels, 4 million acres, are what we think are a reasonable possibility.

The CHAIRMAN. Well, just offhand, Mr. Secretary, I think it is a mighty high price that we are asked to pay when you give 60 and 66 $\frac{2}{3}$ percent in kind. It seems to me that it is a mighty high price to pay.

Secretary FREEMAN. Mr. Chairman, your judgment and the experience of this committee would be determinative as far as that is concerned.

Our judgment on this, I am sure, as to what it would take to get these acres out of production, was the product of the work of a task force headed by Mr. Fred Heinkel, who is here, of representative farmers all over the United States, and who gathered together and spent 2 days, and it was their estimation that if we were to succeed we would have to have something comparable.

It was their recommendation that we should have a \$1.30 support price and should pay 50 percent instead of 60 percent.

One of the reasons this adjustment was made is because of the feeling and the orientation of the Department to try to get some acres out of feed grains and into something else, and for this reason we felt the other combination was better.

The CHAIRMAN. Well, Mr. Secretary, I may say this to you, that in dealing with other commodities such as cotton and rice and tobacco, we had little or no trouble in getting a decrease in acres.

But the corn people have always obtained a better advantage, a greater advantage, over any other commodity. For instance, in our process of allotments, a farmer was guaranteed so much, but another could plant all he desired without penalties, and that gave to the corn farmers a great advantage over the other commodities. I fear that

we would be establishing a precedent here which may come to haunt us in the future as to other commodities that are similarly situated.

And for us to give as much as 60 percent in cash and 66⅔ percent in kind to get the acres out of cultivation, I just think offhand that it is entirely too high.

Senator HOLLAND. May I ask a question? Mr. Secretary, is there anybody who has gone into this field who claims that a farmer makes in profit as much as 60 percent of the production cost of his grain?

Secretary FREEMAN. No, sir.

Senator HOLLAND. Much less 66⅔ percent out of grain operation?

Secretary FREEMAN. No, sir.

Senator HOLLAND. In other words, this is a premium payment.

Secretary FREEMAN. That is what it gets down to.

Senator HOLLAND. What, if you know, do your experts figure is the average profit that is made by the producer of grain to compare with the 60 or 66⅔ percent gross income minus production costs which you suggest?

Secretary FREEMAN. I could take a stab at that, but Dr. Cochrane has a comment to make that I am sure is worth while.

Senator HOLLAND. I would be glad for him to make a comment if he is able. What, in your findings, would constitute the average profit per acre in percentage of the gross value of their output?

Dr. COCHRANE. At what price? At this \$1.20?

Senator HOLLAND. At that price, if you want to put it at that, but at the operation that they are in now because, after all, the point we are considering is a change in the existing law.

Dr. COCHRANE. All the farm management studies that I have seen throughout the Midwest in the last several years do not show any profits in terms of corn production. All of them show, after you give a return to capital, the return to labor, is exceedingly low; so the farm management studies that we have to go on and from schools like Illinois and Purdue and Iowa and Minnesota, would indicate that there is not any profit; I would say after you give a return to capital, that the returns to labor in 1959, particularly in 1959, were exceedingly low.

I just do not have the numbers right here, but I would like to address myself to these 40 and 60 percents.

We feel that the 60-percent gross return is not excessive, because about all that he can take off here is his cash operating expenses like gasoline and fertilizer.

Further, he must comply with the soil conservation practice, which means plowing up the field and planting it to a cover crop.

Further, all his overhead costs that are normal costs go on. Further, he is going to be on the farm, so his own labor costs go on in this particular case. So that we feel that a 60 percent is not excessive.

The CHAIRMAN. But, Dr. Cochrane, the farmer ought to cooperate. He put himself in this condition. He is the one who overplanted. Why does he not cooperate; that is what I want to know.

Another thing, didn't we discuss a 50 percent and a 60 percent? My recollection is 50 percent. Why was the 60 percent put in there?

Dr. COCHRANE. Because we lowered the price support from \$1.30 to \$1.20, and the income figures that the Secretary is going to show indicate an increase in gross income when we lowered the price support

from \$1.30 to \$1.20. With this decrease in price support we felt that to get compliance up around 60 to 70 percent that we would have to increase the return, this cash payment, from 50 to 60 percent to compensate for the loss, the 10-cent loss, on a bushel of the price support coming from \$1.30 to \$1.20.

The CHAIRMAN. Proceed.

Senator HOLLAND. What is the present support price; \$1.06, is it not?

Dr. COCHRANE. Yes, sir.

Senator HOLLAND. Instead of its coming down, it will be going up if this new law is passed.

Dr. COCHRANE. But what we are trying to estimate is the degree of participation in this program, and what Senator Ellender was talking about was that we once had in this program a payment of 50 percent, which was in a package of \$1.30 support; and when we reduced the level of supports from \$1.30 to \$1.20 in the package, to get compliance, we felt that we had to raise the payment from 50 to 60 percent.

The CHAIRMAN. I am glad of the explanation because when we had a discussion about it, if you will remember, it was 50 percent, and the payment-in-kind was—what was it, 60?

Dr. COCHRANE. Two-thirds, 66⅔.

The CHAIRMAN. No; the first discussion we had, I think it was 60 percent.

Secretary FREEMAN. To direct attention, if I might, Mr. Chairman, to a hypothetical case here, which we hope could be useful under the present program—we are taking a hypothetical case of 120 acres, that a farmer might have 100 acres in corn and 20 acres in soybeans.

His income from this would be for the soybeans, at \$2 a bushel, \$960, and from the corn at \$1.05 a bushel he will have \$5,250, or an income of \$6,210.

Under the new program that we propose 20 acres of this would go into conservation—for which he would get 20 acres times an average of 50 bushels an acre, times 60 percent of \$1.20 or \$0.72—and the 35 into soybeans. We feel that because of the proposed increase in soybean supports there would be an additional 15 acres into soybeans.

I might say at this point, the second part of this program would be administrative under present authority, as I understand it, and would be an effort to move from feed grains into other things, one of which is soybeans, where the demand is very strong, with the idea of trying to have produced the things that are being used.

There would be 65 acres remaining in corn; totaling that up, the income would be \$6,864 gross income as compared to \$6,210, which is a 10- to 15-percent net increase in the income to the farmer, an objective which I think is desirable.

Senator HICKENLOOPER. Mr. Secretary, you mentioned moving into soybeans. The American Soybean Association has taken a very definite stand against this, and has taken a stand against the raising of the support price on soybeans, because they say it will be ruinous to the soybean industry and that it will pile up surpluses, and we will just have to start storing them because soybeans are pretty much in balance at the present time.

It is one of the most remarkable operations of self-help that I know of in the farm program, that the soybean people have gone out,

established world markets, and they are selling their soybeans and oil for cash dollars, and they are not depending upon the supports at the present time.

If we move acres from corn into soybeans, and it is bound to do that with a greatly increased support price, you will get into difficulty with the balance between cottonseed products and soybean products and all those things.

I do not claim to be any expert on this, but I do know the soybean people have considered this pretty carefully and they have come out with a very strong statement that this manipulation, so far as soybeans are concerned, would create some very substantial difficulties.

Secretary FREEMAN. Well, Senator, this is a matter of judgment. We are conscious of that fact, and we consulted with and reviewed these figures with the soybean people.

Might I read into the record certain facts about soybeans and the soybean supply that I think are pertinent to making this judgment.

In the first place, the actual price received by farmers since the Korean situation on soybeans has averaged \$2.20 a bushel.

Prices during the peak harvest months last fall were well above support levels. Price support is \$1.85.

From October to December 31 of last year the price received was \$1.96.

The total stock of soybeans on hand as of October 1, 1960, was only 24 million bushels, less than 2 weeks' supply or about 4 percent.

Domestic consumption of soybean oil continues to expand. During the past 3 years it has increased at the rate of about 167 million pounds, is that it, per year. The exports of both beans and oil have increased rapidly, and we believe will move upward even faster in the future. They are both high.

There are presently persistent reports that the Chinese bean production has been down, and their exports will be down, and our demands around the world are likely to be substantial.

Senator HICKENLOOPER. Well, Mr. Secretary, at that point, so far as soybeans are concerned, it seems to me you are making a perfect argument for letting soybeans alone. They are taking care of themselves in a free competitive market which, I understand, is the goal of the American system, and that if we start monkeying around with this business and shooting this price way up, we could very well get an excess of soybeans and have another storage problem on our hands when, as they are now moving soybeans in an open free competitive market, the market demand seems to be strong and tends to increase, and why won't soybeans take care of themselves under the present program?

Secretary FREEMAN. Well, I would not pretend for a moment to be clairvoyant about this, but I would suggest to you two things: First, we may very well not have enough soybeans or soybean oil at the price at which we should have it and can move it, which would provide a handsome profit to the farmer because it will be needed domestically, and certainly it will be needed both for dollars, and if we are going to have a food for peace program it will be desperately needed in a combination with that program.

Senator HICKENLOOPER. Well, now, are we proposing this program in order to produce surpluses or are we proposing it as a program for an open market sale at an adequate price?

Secretary FREEMAN. If I might finish—

Senator HICKENLOOPER. If the soybean price goes up, if there is a greater demand for soybeans, of course, the prices will go up, and the farmers will get more and more for soybeans, and if it warrants it they will plant more soybeans to meet that market demand without fooling around with it.

Secretary FREEMAN. You carry the point to its eventual conclusion.

I would make the point, however, that in this instance we may very well need more soybeans, that we think we ought to have more—

Senator HICKENLOOPER. Would not price take care of that?

Secretary FREEMAN (continuing). That we have far too much production of feed grains now; and that we ought to try to bring about an adjustment from the feed grain to the soybeans. This is what is in mind.

The CHAIRMAN. Well, Secretary, if you increase the support price of soybeans to \$2.30, that will mean about 18 cents per bushel more than they sold for—no; it will mean 30 cents a bushel more than they sold for this year. Don't you think that will be a deterrent to purchase abroad if we increase the cost to the farmers?

Secretary FREEMAN. Well, the price now, as I understand it, is about \$2.45 roughly. We were speaking about this period. The price that I referred to a moment ago was the price last October.

The CHAIRMAN. Well, the figures that I have here received by the farmers in 1960 were \$2 a bushel, and the support price was \$1.85.

Secretary FREEMAN. Correct.

The CHAIRMAN. So that if you increase that price it will make the price of the oil products as well as the bean itself increase by quite an amount. It may be a deterrent to further sales abroad and, as Senator Hickenlooper has just indicated, we might have two programs on hand instead of one that are in trouble, corn and feed grains, and then add soybeans.

Secretary FREEMAN. Well, if you assume that, I would only say—and this may not be too adequate an answer—that if we had to have something on hand in the present state I, as Secretary of Agriculture, would prefer to have more soybeans and less corn, because we have great use for the soybeans and for the vegetable oil, and we have a much more limited use for the corn.

I think this would tend to direct about 2 million bushels of corn out and over into soybeans, that the assurance of this price which, I think, is a reasonable one, at \$2.30, and necessary to accomplish that inducement, would not imperil—2 million acres, I meant to say.

Senator HICKENLOOPER. Yes, Mr. Secretary.

Secretary FREEMAN. Excuse me—would not imperil that market or result in—as a matter of fact, I think it might have the opposite effect of your question conceivably, Senator, because the price might go so high as to seriously affect our foreign markets.

The CHAIRMAN. Well, I want to be sure that all the facts are in the record.

Secretary FREEMAN. Yes, sir.

The CHAIRMAN. And on many of these problems we take the negative so as to draw you out.

Secretary FREEMAN. Yes, sir.

The CHAIRMAN. To what extent do you estimate that the production of soybeans will increase over 1960?

I have before me figures to show that the production in 1960, which is more or less a forecast, would be 558.8 million bushels.

Secretary FREEMAN. We would estimate that this would call forth in the neighborhood of 100 million more bushels.

Now, the cost—excuse me, I am corrected, 50 million bushels, not 100 million bushels.

The CHAIRMAN. 150?

Secretary FREEMAN. No, 50. I said 100; I was in error. It should be 50 million bushels of soybeans.

The CHAIRMAN. 50 million bushels.

Now, to what extent would that increase the cost on the foreign market as compared with what it is now?

Secretary FREEMAN. Well, from what it is now it would not increase it at all. I think it would likely decrease it.

The CHAIRMAN. How do you figure that now, that is what I would like to have in the record. I heard you say it a while ago, and I would like for you to clarify that point.

Secretary FREEMAN. Well, the current price for the bean is \$2.45 approximately. Correct me if I am wrong.

Mr. COCHRANE. Yes.

Secretary FREEMAN. The price support that we would set would be \$2.30. If you, therefore, assumed we would have 2 million more acres producing 50 million more bushels, we would assume that in this instance the price would be at \$2.30 and, as such, it would be more rather than less competitive in world markets.

Senator HICKENLOOPER. Well, it is competitive now. We are moving soybeans, we are moving in the world markets.

Secretary FREEMAN. Let us move more then, Senator.

Senator HICKENLOOPER. All right. We are moving them at the current price which is higher than the price you are proposing to get the price back down to.

Senator HOLLAND. Mr. Chairman, I would like to ask a question.

The CHAIRMAN. Senator Young wanted to ask a question.

Senator YOUNG of North Dakota. Along the same line I think the price support for flax has been too low and discouraged production of flax and has diverted those acres to barley, which is in surplus.

We could use more supplies of flax. If, for example, we had a drought in this area you would practically wipe out the industry because the users of flax would have to find new substitutes, and when we again had the production, you would not have market outlets.

There is another angle. Corn producers produce about four times as much per acre in bushels than they do with flax; oats even more than that. It is much cheaper to store a surplus crop of flax, if you had one, than it is of corn.

Dr. COCHRANE. So it is with soybeans.

Senator YOUNG of North Dakota. And you have the same thing with soybeans. Your yield per acre of corn is far in excess of soybeans.

Secretary FREEMAN. The same principle, Senator Young, that we tried to apply here would be applicable to flax, and I think that there is something that can be done to try to move in the direction of producing the things that we in the world need rather than those things that—

Senator YOUNG of North Dakota. It was a serious mistake to take land out of flax in our State, Minnesota and South Dakota, and put it into barley and corn when we have a surplus of those commodities.

Secretary FREEMAN. Yes, sir.

Senator YOUNG of North Dakota. And the industry—the flax institute—is all opposed to this.

Senator HOLLAND. Mr. Chairman, may I ask a question?

The CHAIRMAN. Surely, Senator Holland.

Senator HOLLAND. I recall vividly, as do all other members of this committee, that even with a penalty on overplanting of wheat, although not a high penalty, that so long as the support price was attractive, we have had constant overplanting in order to take advantage of the stabilized market price.

What assurance do you have that with this price rise from \$1.06 to \$1.20, and with the whole program voluntary and no control of acreage, there will not be people, particularly as to corn and grain sorghum, who will not plant vastly increased acreages in order to take advantage of increases in the market price? Of course, they will not have the advantage of price supports, but price support tends to fix the market price.

What assurance do you have that there will not be tremendous overplantings as compared with present plantings?

Secretary FREEMAN. Well, the Senator places his finger right at the heart of a very difficult problem on an emergency program of this kind, upon which there is not time for referendum.

The only assurance we would have is that we make the proposal attractive enough so he will actually take acres out of production, he will want to comply. We estimate 60 to 70 percent compliance.

There are some people who have told me it will go 90 to 100. This is attractive, and that it will be bought.

If it is the case, the problem really poses no problem.

If it is not the case, the section that was somewhat amended, and we discussed it earlier, that would give the Secretary the discretion to release feed grains into the market from Commodity Credit stocks would be a continual threat; and its exercise would mean that the price would not be at the support level—the market price would be at substantially lower than \$1.20; and the noncomplier, therefore, would not stand to benefit in an effort to take advantage of his neighbors.

That is the purpose of trying this. It is the best device we could develop to try to get the compliance, which is impossible without a referendum.

Senator HOLLAND. That more liberal provision for disposition of surplus stocks would constitute not only a continuing threat against the man who wanted to plant more acres but against the production generally, would it not, because it would hang as a direct cloud over all production in the year, a cloud against everybody except Government purchases.

Secretary FREEMAN. It would constitute for anyone who did not comply with the program a cloud, and it is designed for that specific purpose.

Senator HOLLAND. Why would it not constitute a cloud against the whole production for the year?

Secretary FREEMAN. Well, because those who comply with the program would have a support price of \$1.20.

Senator HOLLAND. Then it is a cloud against everybody except Uncle Sam.

Secretary FREEMAN. No, it is a cloud against the person who does not comply. It will not affect the person who does comply except that he will have the satisfaction of not letting his neighbors exploit him.

Senator HOLLAND. I appreciate your frankness.

As I understand it, you feel by making the premium high enough for retirement of acreage, you will deter anyone from increasing his production?

Secretary FREEMAN. Well we, of course, will be administering this program in light of not permitting more acres to be added, that he does not have already.

Senator HOLLAND. You cannot prohibit anybody from planting as much as he wishes to under the program that you have outlined in this legislation.

Secretary FREEMAN. No. The program involved a 20 percent reduction of his acreage.

Senator HOLLAND. Yes. But that is voluntary, and suppose the man thinks he can make more out of increasing his acreage, as we have seen them do in wheat repeatedly, what is to prevent him from doing that? There is not a bar or a ban on his increasing his acreage; am I right?

Secretary FREEMAN. Well, I am not sure we are talking about the same things.

Senator HOLLAND. Well now, I am talking about the invitation to certain people which has already shown itself repeatedly to exist, notwithstanding the imposition of penalties in the case of wheat, the temptation which they have not been able to resist, to overplant and produce a great deal more, even though they are selling the unit for less, and they make much more out of their operation.

Secretary FREEMAN. I understand now. I do not think this would happen, Senator, for two reasons: first, the major production here would be in the Corn Belt where there have been no controls, and where little corn has been planted that possibly could be planted.

I do not think there is any land along ready and waiting to move in. Second, it will, of course, be the noncomplier who would be able to increase his production. One of the conditions of compliance with the program would be that land would not be diverted from pasturage, fallow or idle, and added to the program.

So far as the complier is concerned, that would be a condition because obviously we are going to try to take 20 percent acres out of production.

For the noncomplier who might dig up an extra acre, whom we could not otherwise reach, that is the purpose of this proviso that

would say that the market price may be very substantially lower than the support price, depending upon how the Secretary of Agriculture administers the program.

Senator HOLLAND. Pardon me, one more thing: with reference to corn, I just call your attention to the fact that there are literally millions of unplanted acres in the South where it has been shown in recent years that productivity is very great, which are available for planting of corn. I also call your attention to the fact that because of the manipulations elsewhere there were relatively large numbers of counties in the South which came into the so-called commercial corn area within the last 2 or 3 years of that acreage allotment program. In my State where nobody dreamed there was any commercial corn area, there came into being almost overnight quite a group of commercial corn counties; in the State so well represented by Senator Talmadge, even more, and in North Carolina more still; some in Alabama and elsewhere.

Now, in addition to corn, the increase in grain sorghum production has been very alarming, at least to me as I have watched it in these last 2 or 3 years. There just is not any limit on the acreage which is available for additional planting of corn and grain sorghum, so it seems to me that we can just count on many people, where there is no control and a relatively high support price, not available to them but affecting the market, to increase their acreage because that has been the history of the thing in wheat and in other crops, too, but particularly in wheat.

Secretary FREEMAN. I would only comment on that, Senator, that, first, the alternatives that we start with are not very desirable. If we do not do anything we are going to take on six to seven hundred million more bushels, and put them in storage this year at a cost of \$1.5 billion.

Second, they could be doing that right this year. If this law passed, as it has been amended, the Secretary could lower the market price by releasing stocks on the market to \$1.05. That is the price this year, and if that is very desirable it would occur to me that, perhaps, those acres would be in production right now, and apparently they are not.

I am sure that there are such idle acres in the South; we have been concerned about that in soybeans, and we have provided as a condition of compliance that they could not bring acres into soybean production that had not been in previously. But you put your finger on a very real problem; I am quite aware of it.

Senator HOLLAND. Let me just, before I leave that point, suggest for the record that that production on certain acreage in Mississippi last year showed it to be the heaviest bushelage per acre that the Nation had ever seen in corn, and there is plenty of that same type of acreage available elsewhere.

We learned a whole lot about producing corn since these artificial restrictions have forced corn into the South, where it had never been heavily produced before.

Senator HICKENLOOPER. They are using Iowa soil down there on the Mississippi delta. [Laughter.]

Senator TALMADGE. To shed a little further light, as I understand it, the only penalty for noncompliance would be that they would be denied price supports.

Secretary FREEMAN. Plus the danger that the market price would be below the support level—I suppose you have said it.

Senator TALMADGE. And, of course, the threat lies over their heads that these certificates in kind would be redeemed for cash or else in kind, and find their way into the marketplace which would depress the normal price without regard to Government supports.

Secretary FREEMAN. Yes, sir.

Senator TALMADGE. Mr. Chairman, if I may proceed to a related question——

The CHAIRMAN. May I ask one question in connection with the question you have just asked.

Mr. SECRETARY, have you thought of any other penalties that you could impose on the noncompliers other than price supports?

Secretary FREEMAN. We have given thought to this and, at this point, we have some people considering it, but we have not come across anything that we though would be effective and practical.

The CHAIRMAN. Well, as a rule, of those who plant corn and sorghum, some also plant wheat, some also plant barley, and some of them plant various other price-supported commodities.

Would you consider withdrawing price supports from those commodities to get compliance for the corn?

Secretary FREEMAN. I would certainly consider it.

The CHAIRMAN. Well, I wish you would look into it as soon as you can before we draft this bill, because it strikes me that every effort ought to be made if you want to get this 20 percent acreage cut that you speak of, and probably another additional amount, that other penalties than lack of price support should be imposed.

Secretary FREEMAN. We have looked, may I just say, Senator—that we could do this where wheat is concerned, but there is not very much wheat in this area where they have got the heavy feed grain production.

You could, I suppose, if this farmer was following conservation practices, provided he would not be able to qualify under ACP or SCS, outside of that, I cannot think of anything else you could do, and I doubt whether either would be very effective, but we are searching.

The CHAIRMAN. Senator Talmadge.

Senator TALMADGE. Mr. Secretary, I am deeply sympathetic with you in the problem of feed grains. Since I have been on the Agriculture Committee I think I have found it to be the most complicated problem that faces our agriculture in that the majority of it goes directly into animals on the farm, and it is difficult to find out what portion of it goes into the market place and what portion of it is ultimately sold as eggs, milk, pork, beef, or as some other product.

I think the question of the problem of wheat is the most troublesome of any farm commodity that we have at the present time. Of course, it is closely related to feed grains.

I wondered why you did not submit a program for wheat at the same time you did feed grains?

Secretary FREEMAN. Well, because the wheat program could not apply to the 1961 crop, as wheat has already been planted. And in order to do any good on the current plantings of feed grains, we needed to act on them first.

I will say, Senator, that we will be making within a matter of weeks recommendations on a combined feed grain and wheat program in the long pull. But this is a short run 1-year crash program.

Senator TALMADGE. Is it contemplated that the approach to the wheat problem will be the same as the approach to the feed grain problem?

Secretary FREEMAN. That approach is being considered, and I am sure there is going to have to be provision made for less production of wheat.

Senator TALMADGE. As I understand it, this program contemplates for all those who comply, in order to obtain price supports, it will be mandatory that they put 20 percent of their acreage that they have been planting in feed grains into a conservation reserve program which has not yet been devised?

Secretary FREEMAN. No, sir. It would be applying—depending upon the area, the present conservation cover crop procedure set down in regulations with the ACP's. It will be administered through the ACP program.

Senator TALMADGE. Then those who comply with the reduction of 20 percent of their acreage will be paid in cash?

Secretary FREEMAN. Yes, sir.

Senator TALMADGE. Sixty percent of the normal yield of the commodity that has been produced on that acre?

Secretary FREEMAN. Yes, sir.

Senator TALMADGE. Which would figure \$36 an acre, if his average yield of corn had been 50 bushels per acre.

Secretary FREEMAN. Correct.

Senator TALMADGE. Isn't that considered to be an abnormally high payment for letting his land lie idle?

Now, assuming that the average acre that has been planted in one of these feed grains was worth \$300 per acre, that would be a return in excess of 10 percent for letting his land lie fallow.

Secretary FREEMAN. Well, this is—

Senator TALMADGE. I believe if we use that same approach for cotton, tobacco, peanuts, or any other commodity that we produce in Georgia we would virtually take it all out of production. I wonder how we could weight those high payments with the payments that we have made for the conservation reserve in my State that started off with \$7 an acre, and the highest payment that has been made within the entire State has been \$14 per acre?

Secretary FREEMAN. Well, I would say this, Senator: First, the farmer in question is going to continue in operation and a great deal of his overhead cost—

Senator TALMADGE. Much of that is fixed; he cannot reduce that.

Secretary FREEMAN. He cannot do much about that.

Secondly, he has to put a cover crop on, and the estimates run from \$10 to \$15 an acre to do that. So he cannot reduce that.

Third, I would say you are very correct that this has this element of inequity in it as compared to other retirement programs.

However, one, this is a 1-year emergency crash program where, as I say, you have got to buy these acres out of production.

Two, this will apply to the most productive land where, in large part, the conservation acreage reserve was not a productive land.

Senator TALMADGE. Now, the second question is this: As I understand it, in addition to the mandatory 20 percent reduction in acreage, which would be required if he obtained price support, then he has his option to take out an additional 20 percent of his acreage. He cannot exceed that, as I understand it; is that correct?

Secretary FREEMAN. Yes, sir; that is correct.

Senator TALMADGE. In other words, if a man wanted to go all out under this program, if he had planted 100 acres in feed grains, he could reduce that to 60 acres?

Secretary FREEMAN. Yes, sir.

Senator TALMADGE. But the Government—

Secretary FREEMAN. We stop there.

Senator TALMADGE. The program would not require him to go beyond the 20-percent reduction.

Secretary FREEMAN. No, sir.

Senator TALMADGE. And, for the additional 20 percent which the farmer would elect whether or not to participate, he would receive payments in kind or in cash, at his option?

Secretary FREEMAN. No, sir; not quite. He would receive payments in kind.

Senator TALMADGE. That is, 66⅔ payments in kind or in cash?

Secretary FREEMAN. He would get payments in kind, not cash. However, he could obviously convert those payments into cash by selling that on the market immediately as soon as he picked it up.

Senator TALMADGE. It is not contemplated then that this additional 20 percent be paid in cash, only in kind?

Secretary FREEMAN. Only in kind.

Senator TALMADGE. I thought it was at the farmer's election.

Secretary FREEMAN. No, sir.

Senator TALMADGE. And if he elected cash then the Commodity Credit Corporation would, in turn, sell sufficient grains to provide the cash to pay him.

Secretary FREEMAN. No, sir. This is what it says, but its real effect is exactly the same as the payment in kind. This is purely administrative. In other words, if you delivered to farmer X 100 bushels of corn, and it did so in—

Senator TALMADGE. Let us start at a point prior to that.

Secretary FREEMAN. All right, sir.

Senator TALMADGE. Suppose he has a certificate for 100 bushels of corn. He could, of course, if he saw fit, sell that certificate on the open market?

Secretary FREEMAN. Correct.

Senator TALMADGE. If he presented it to the Commodity Credit Corporation, the Commodity Credit Corporation would not pay him any cash, but would give him only the commodity in kind; is that right?

Secretary FREEMAN. Yes, that is right.

Senator TALMADGE. And he could elect the commodity that he saw fit to take in kind. It would not have to be limited to corn or to any other specific feed grain.

Secretary FREEMAN. No, it would have to be one of the feed grains.

Senator TALMADGE. One of the feed grains that he himself had been producing?

Secretary FREEMAN. Yes.

Senator TALMADGE. Suppose a farmer from Texas had been producing milo.

Secretary FREEMAN. I had not thought about that.

Senator TALMADGE. And he saw fit to elect a feed grain commodity. Would he have to take milo or could he take corn, barley, or oats, or could he take any one of the surplus commodities?

Secretary FREEMAN. Senator, I tried to anticipate every question that you gentlemen might ask me, but I never thought of that one. I do not know.

The CHAIRMAN. If you will permit me, Senator Talmadge, I——

Senator TALMADGE. Certainly, Mr. Chairman.

The CHAIRMAN (continuing). As I understand this language as it is written here, he could go to the Commodity Credit Corporation and could get cash.

Senator TALMADGE. That is the way I read it, and that is what I thought the Secretary said when I asked the question about triggering the price.

The CHAIRMAN. That is the way it is written, and I brought the question up a moment ago when I said that the chances are that the cost of this program would be far in excess of the \$500 million authorization we have in this bill.

Senator TALMADGE. I thought the sale of these commodities from CCC at no fixed price was supposed to be the threat that would deter noncompliers from planting any and all acreage that they might see fit to plant.

Secretary FREEMAN. Yes, sir.

Senator TALMADGE. And I thought there would be grain coming on the market at two different prices, and one would be election B or the additional 20 percent of acres.

Senator HICKENLOOPER. Would the Senator yield?

Senator TALMADGE. Yes, indeed.

Senator HICKENLOOPER. This payment in kind to the complier on the elected additional 20 percent of his acreage, do I understand that payment to him in kind would be the support price; in other words, he would get the equivalent of X number of bushels at the support price so he would be placing that on the market?

Secretary FREEMAN. No, he would get it at the market price.

Senator HICKENLOOPER. He would get payment in kind at the market price?

Secretary FREEMAN. Right.

Senator HICKENLOOPER. I do not understand it that way.

Dr. COCHRANE. Could I answer it?

Senator TALMADGE. Would you mind checking also to see, at the same time, whether or not there has been some confusion as to whether he could demand cash for his additional 20 percent or whether it must be in kind?

The CHAIRMAN. Dr. Cochrane, before you proceed, let me read what is in the bill before us:

Payments in kind shall be made through the issuance of certificates redeemable by the Commodity Credit Corporation in accordance with regulations prescribed by the Secretary for feed grains or, at the option of the producer to whom the certificate is issued, for cash.

Dr. COCHRANE. That is right.

The CHAIRMAN. All right.

To the extent that such certificates are redeemed for cash the Commodity Credit Corporation will have to sell a sufficient quantity of feed grains at the market price to cover the cost of such cash redemptions.

Dr. COCHRANE. That is right.

The CHAIRMAN. Now, proceed.

Dr. COCHRANE. The man gets a certificate. He can then sell the certificate to another farmer if he wanted to. He could take it to the Commodity Credit Corporation and get feed grain, and here I think we depend on what type was in this area, or he can get cash from CCC. But whenever anybody—

Senator HICKENLOOPER. But on what basis does he get the cash?

Dr. COCHRANE. At the market price, because the payment in kind is in terms of yield. He gets two-thirds of his yield, and which he can feed or sell for cash at the market price or any—

Senator TALMADGE. What market price?

Dr. COCHRANE. Anybody who redeems a certificate gets paid at the market price.

Senator HICKENLOOPER. Then it is a two-headed operation. At the first operation he gets it at \$1.20 or \$1.30; on his second 20 percent that he elects, you mean to say he would get it at whatever the market price was?

Dr. COCHRANE. Could I answer? Theoretically the man gets two-thirds of the yield of his acres; that is what the idea is. But mechanically this is difficult, and the stocks may not be where they are needed, so the administrative way to handle it is to give him a certificate which then he can sell to somebody else or he can return himself, and when he does, the idea is to get two-thirds of his yield and it is valued at the market price.

Senator HICKENLOOPER. Let us get this down to a little more concrete form. I am confused on this.

Dr. COCHRANE. When a man goes into the program and makes his 20 percent cut in production.

Secretary FREEMAN. Correct.

Senator HICKENLOOPER. He gets paid in cash for that at the support price?

Secretary FREEMAN. Yes, sir.

Senator HICKENLOOPER. For his average yield?

Secretary FREEMAN. Correct.

Senator HICKENLOOPER. All right.

He elects to take 20 percent more out—

Secretary FREEMAN. Right.

Senator HICKENLOOPER (continuing). Out of this program.

Secretary FREEMAN. Right.

Senator HICKENLOOPER. He comes to you and says, "I want cash for it."

Secretary FREEMAN. No, that is what the law says.

The CHAIRMAN. That is what the law says.

Secretary FREEMAN. I bucked with the Department people administering this thing, because I predicted exactly the questioning that has followed here, because this is purely an administrative thing, if I understand it properly, and—

Senator HICKENLOOPER. I may say, Mr. Secretary, if I understand the English language, it is purely cash if he wants to elect it.

Secretary FREEMAN. May I explain how it is cash but it is not cash? [Laughter.]

That is what I am going to try to explain.

Senator HICKENLOOPER. Go right ahead; I will be interested in it.

Secretary FREEMAN. Well, I must admit I am working against odds. [Laughter.]

Senator HICKENLOOPER. Well, I am working against confusion at the moment.

Secretary FREEMAN. All right.

What can we do? Suppose this farmer produces, let us say, 100 bushels in this instance on this acre, and we are going to pay him in kind, we would pay him then $66\frac{2}{3}$ bushels.

Now, we could take those bushels over our shoulders and carry it over to him on the farm, and when we do that he will decide what he wants to do with it.

If he wants to feed it or if he wants to sell it, he will decide what he wants to do with it. If he wants to sell it, it will go on the market at the present market price, and will add to the market that amount and will affect the market that amount.

Senator TALMADGE. All right. How is that market price going to be determined?

Secretary FREEMAN. That market price as of this point is determined the way any market price is determined. It will not have been affected in any way, with the possible exception that there may well be some grain released on the market by the Secretary of Agriculture so that that market price may not be \$1.20; it may be less than \$1.20; it may be \$1.10. It may be \$1.05. Under this law it could not go below \$1.05.

Let us say the market price is \$1.05. The farmer then sells his $66\frac{2}{3}$ bushels on the market at \$1.05. We have that much more corn on the market. He has been paid in kind, he got his cash, we have this much more corn on the market. That is the way it would work.

Now, the people who administer this program say to me, Why go through the work of delivering this to him and letting him take it back and selling it again? Why move it around? Let us do the same thing through the medium of a certificate and on that certificate he can then do what he wishes. But when the certificate is redeemed by the Government, we will sell sufficient corn on the market to obtain the funds to pay the farmer.

Senator HICKENLOOPER. You mean he can redeem it at the market price or just X number of bushels?

Secretary FREEMAN. That is right. It is exactly the same thing. That is why I think it is exactly the same thing.

Senator HICKENLOOPER. I do not think it is.

Secretary FREEMAN. OK.

Senator HICKENLOOPER. What inducement under that proposal would there be for him to go into the extra 20-percent reduction if he is at the market price? In other words, as I understand it, the inducement for him to go into the first 20 percent is because there is a price of \$1.20 a bushel.

What inducement is there for him to go into the extra 20 percent if all he gets is the market price?

Senator TALMADGE. He saves his labor cost and the cost of cultivation.

Senator HICKENLOOPER. Yes.

Secretary FREEMAN. We said, Senator, we were not sure how well this payment-in-kind would work, and this is the reason why we have tendered to emphasize the cash payment of this. That is one of the problems.

Senator HICKENLOOPER. As I read the law there does not seem to be any question. It says that at the option of the producer to whom the certificate is issued for cash; if he says to you on this extra 20 percent, "I want cash," what are you going to pay him?

Secretary FREEMAN. All right. If he says on the extra 20 percent—first, to answer your other question, I overlooked something that I was prompted on by my coaches and tutors here, that he gets 66 $\frac{2}{3}$ in-kind, which is a little bit more in-kind than he gets in cash. He gets 60 percent in cash.

And then, pardon me, sir, what was that last question?

Senator HICKENLOOPER. Well, I say what are you going to pay him, suppose he comes to the Commodity Credit Corporation and he says, "I don't want grain; I don't want to go into the market and get it and have it replaced; just give me the cash," what are you going to pay him? Are you going to pay him from the Commodity Credit Corporation, pay him in cash, what the market price is at that time?

Secretary FREEMAN. Correct.

Senator HICKENLOOPER. On Corn?

Secretary FREEMAN. Yes.

Senator HICKENLOOPER. You are not going to pay him the support price.

Secretary FREEMAN. No, sir.

Senator HICKENLOOPER. But you are going to pay him the support price on the first 20 percent.

Secretary FREEMAN. Right.

The CHAIRMAN. But when you pay him that cash though will you pay him on the basis of the then existing market price?

Secretary FREEMAN. No; no, we will pay the cash based on the support price of \$1.20.

The CHAIRMAN. No, I am talking about in-kind.

Secretary FREEMAN. In-kind you would pay him on the market price, not the support price.

The CHAIRMAN. In other words—

Secretary FREEMAN. But you release an equal amount into the market.

The CHAIRMAN. That is right. In other words, what you would really do is to pay him the market, the then market, value in cash and you, in turn, would sell—

Secretary FREEMAN. Correct.

The CHAIRMAN (continuing). Corn or whatever grain you had——

Secretary FREEMAN. Yes, sir.

The CHAIRMAN (continuing). To get that back and put into your Treasury.

Dr. COCHRANE. To get the money to pay the farmer.

The CHAIRMAN. If you remember, I raised that same issue that Senator Hickenlooper has just raised as to the inducement to get into the second category, that is, the 20-percent payment-in-kind.

Secretary FREEMAN. Yes, sir.

The CHAIRMAN. And that is why I suggested that we ought to combine both cash and payment-in-kind and, let us say, make the acreage cut, 25 percent, even 30 percent, and pay half of it in cash and pay half of it in-kind; or for that matter based on any other division, make it 40-60 or any other percentage, but the point is to get the program going. It strikes me that there should be no option, that we ought to say, "We need a cut of 25 percent of the acreage," or 30 percent, and that payment shall be partly in cash and partly in kind. What would you think of that?

Secretary FREEMAN. I think that might be worked out, Senator, and I certainly do not come before this committee in any posture of dogmatism.

The problem to be concerned about in the cost on this would be this: That in order to get three bushels out of production we release two bushels into the market.

Now, this program, we believe, will work to set a market price of \$1.20, we assume now 70 percent compliance, of \$1.20, so our support program will not cost us anything.

The market will stabilize at \$1.20 because we have from 600 to 700 million bushels out of the market.

Now, if we make a payment-in-kind and put two bushels into the market for three removed from production we will not have removed as much from market supply as under the cash program, and the market price will fall below the \$1.20 at which we hoped to stabilize it.

The CHAIRMAN. I suggested the alternative to meet that situation. Instead of making it 20 percent, make it a 30-percent cut.

Secretary FREEMAN. Yes.

The CHAIRMAN. So you will get the acreage that you really have to to have to effectuate the 600 or 700 million bushels that are contemplated.

Secretary FREEMAN. I think there is merit in the Senator's recommendation, and this may very well be something that could be worked out.

Senator YOUNG of North Dakota. Could I ask a question at this point?

The CHAIRMAN. Just a moment. Senator Hickenlooper, are you through?

Senator HICKENLOOPER. At the moment.

The CHAIRMAN. Senator Young.

Senator YOUNG of North Dakota. What do you do with a farmer who already has 25 percent of his land in the soil bank, do you require him to reduce his acreage another 20 or 30 percent?

Secretary FREEMAN. We, if he wished to come in the program and was going to get the support, contemplate that he would need to reduce his acreage accordingly; yes, sir.

Senator YOUNG of North Dakota. We have some communities in my State, and I am sure there are some in Minnesota and other areas, where as much as 50 percent—we have one township where 80 percent—of all the cultivated land is now in the soil bank.

If you require, in order to get the price supports, that all these farmers have to put in another 20 or 30 or 40 percent in the land retirement program, you are just going to dry up the cities and towns serving these areas. I wish you would consider making some exception for such farms or where a very high percentage of the land has already gone into the soil land program.

Secretary FREEMAN. Well, Senator, I am not anxious, as one individual, to see whole farms taken out, and whole communities taken out.

Senator YOUNG of North Dakota. If a farmer already has 50 percent of his land in the soil land program, it does not seem right to require him to put in more. He would be far better off with the present program of price supports.

Secretary FREEMAN. May I just say for the record I am most sympathetic to your point of view, Senator Young, and that under the bill as it now stands that administratively would have a considerable degree of leeway, and we would most certainly be conscious of this problem in administering the law.

Senator YOUNG of North Dakota. Yes.

Another question now: In my area, if you reduced the production of barley and created a scarcity, and also improved the price, we would have a real problem of the importation of malting barley from Canada.

To me, this program just would not be workable unless we had some way of preventing increased imports from across the border.

In wheat practically all the way across the Northern United States, most all of the seed wheat is coming from Canada. They treat it and label it unfit for human consumption, and get by all of our regulations and quotas. I have tried repeatedly to do something about it. It does not make sense to have all of our seed-cleaning machinery standing idle, while we import all of our seed wheat. Here again, if you make this thing work with respect to barley all you do, as I see it, is import more from Canada which has no restrictions whatsoever on production.

The CHAIRMAN. Off the record.

(Discussion off the record.)

The CHAIRMAN. Back on the record.

Senator HOLLAND. May I ask a question?

The CHAIRMAN. Yes.

Senator HOLLAND. In the event the market price at the time of cashing in the certificate is more than the support price, would you still hold to the statement that the market price would govern rather than the support price in payment of cash?

Secretary FREEMAN. If I were administering this program and had some control over the stocks that will not happen.

Senator HOLLAND. You mean to say then that you mean for the support price to be the fixed, actual ceiling?

Secretary FREEMAN. I think it will have, as a practical matter, Senator, that effect. I do not anticipate the price going above the support price.

Senator HOLLAND. Of course, this would be a great departure from the support-price structure we have had heretofore. We have tried to keep the actual market prices in as many cases as we could above the support price.

Now, your program is to make the support price level the maximum price.

Secretary FREEMAN. Well, no, sir; that is not my program.

I am saying that as a practical consequence there are only two commodities that we have enormous storage, and that is wheat and feed grains, and so in others where we have supported the market price, we may very well have.

I am concerned about increasing the farmers' income, not decreasing it. But with the stocks on hand, I could not envision the market price going above the support price.

Senator HOLLAND. Then you would not depart from your previous testimony in that kind of case that the payment out of cash would be based on the market price, not on the support price?

Secretary FREEMAN. Well, honestly, might I think about this a little bit?

Senator HOLLAND. Sure.

Secretary FREEMAN. This is another one that I had not thought about before.

Senator HOLLAND. I call your attention to the fact that the wording in the bill is this:

To the extent such certificates are redeemed for cash, Commodity Credit Corporation shall sell a sufficient quantity of feed grains at the market price to cover the cost of such cash redemptions.

Now, that would mean that the sale of grain would not necessarily be in the same amount if you are going to have the certificate fluctuate according to market price.

Secretary FREEMAN. It would depend upon the time that it was done, and when the certificate was presented, why, it would be paid at the market price at that time.

Senator HOLLAND. Even though that market price were higher than the price support?

Secretary FREEMAN. Well, as I read the law now, I expect I would have no option.

Senator MUNDT. Mr. Chairman?

The CHAIRMAN. Yes, Senator Mundt.

Senator MUNDT. Do I understand that now the market price on page 3 stays in the law like you have it or do you put a \$1.05 floor under it?

Secretary FREEMAN. As I have submitted it, Senator, a little earlier it would have had the \$1.05 floor.

The language, I think—I do not know whether you got it, there would be added to the bill certain language that was distributed.

Senator MUNDT. Right. But I am not sure. In answer to an earlier question of Senator Talmadge, I gathered that your \$1.05 floor applied only to the language in line 24 of the bill, and not to the language on line 15. Does it apply to both?

Secretary FREEMAN. It would apply—well, this is tacked on at the end of the bill, and would apply. This relates to Senator Holland's question, I think, and would merely say that in the process of seeking to prevent noncompliers from profiting on this, that the Secretary would be authorized to release feed grain into the market, but he could not release so much that the price would fall below \$1.05. The bill as originally drafted held no such restrictions.

Senator MUNDT. Let us see if this would be a fair interpretation, not necessarily the way you use it, but the way it would operate.

On page 3, line 13, would it mean to the extent that such certificates are redeemed for cash, the Commodity Credit Corporation shall sell a sufficient quantity of feed grains at the market price but not less than \$1.05; is that what it would actually mean?

Secretary FREEMAN. No.

The CHAIRMAN. No.

Secretary FREEMAN. This would be—your question is very well stated.

Senator MUNDT. I want to find out.

The CHAIRMAN. That is the modification, Senator. It would change the law.

Senator MUNDT. I want to find out.

The CHAIRMAN. It does.

Senator MUNDT. Because I could not gather directly from the answer to Senator Talmadge's question whether the \$1.05 limitation applies to both lines 13 and line 24.

The CHAIRMAN. The sentence you have just read has been interpreted by our counsel to mean that it modifies the present law and that this corn could be sold for less than the support price, and less than what the Commodity Credit Corporation has in it.

Senator MUNDT. I want to get from the Secretary—he has some modification and some extra language.

Secretary FREEMAN. Senator, if you have that language, may I give this to you, there is an exception specifically, you will see, in parentheses to provide for that.

Senator MUNDT. All right.

So that it applies then, to answer my question, your floor limitation applies, only to section 3 and not to line 13 of section 2.

Secretary FREEMAN. Yes, sir.

Senator MUNDT. That is correct?

Secretary FREEMAN. Yes.

Senator MUNDT. Now, have you thought through what is going to happen if you have this no exemption on line 13, what is going to happen to the fellow who has some corn stored on his farm or the little private elevator or the co-op? How is he going to be able to hold any corn if you are going to be able to sell unknown amounts because you do not know, and nobody knows, how much this 66⅔ is going to amount to, you are going to put it on the market at market price, and that is almost going to create the market price if you dump this corn on it?

Secretary FREEMAN. Well, we will know, you see—sign-up time on this program is within a matter of weeks, and we will know how many people come under the program.

Senator MUNDT. That is right. But you will not know how many will take corn, how many will want to take oats, and how many will want to take barley, so there is this threat that you mentioned—it is a good club, I agree—to the noncomplier, if there would be a non-complier under the act.

It also, it seems to me, to be a threat to the fellow who has been storing some corn on his own farm or the little country elevator we have all over your own State and mine or the co-op. It seems to me a threat to him. How is he going to keep corn or feed grain on tap?

Secretary FREEMAN. What you are really saying, Senator, is this is a problem which we face when you talk about payments-in-kind.

Senator MUNDT. That is correct. Not so much payments-in-kind as the fact that you are going to sell at the market price enough to capture the money to pay him the cash, because most of them will take cash.

Secretary FREEMAN. But I come back to what I tried to say, and said facetiously, when I said to Senator Hickenlooper, I wanted to prove that cash was not cash, whether you have this provision or not that the farmer who gets 100 bushels, he can sell that on the market, so to that extent it will depress the market.

Senator MUNDT. So it works the same way.

Secretary FREEMAN. Yes.

Senator MUNDT. But you have the same threat against the fellow who has a little private storage on his own farm and getting ready for a bad year or the normal operation in a little town or a country elevator where an elevator buys and sells a little feed grain and corn to take care of local needs; it seems to me the Government would have to buy practically all of the crop because the elevators could not afford to buy it if they did not know what the price would be.

Secretary FREEMAN. I would counteract on this to say that its impact on the price, that it is—we are putting 2 bushels in the market but we are going to get 3 out of production hence there is a net reduction in marketable supplies of one bushel, and I do not think that the result the Senator is properly concerned about will follow from it, but it is logical—

Senator MUNDT. It is difficult—it would be all right if you could determine how much is going to be corn and how much barley, but you cannot. You cannot tell which particular feed you are going to sell, can you, and how are you going to work it out?

Secretary FREEMAN. Well, the overwhelming preponderance of this is corn and grain sorghums. As a matter of fact, may I say this was brought up at the House hearings; that we have some real problems because we already have barley and oats planted—and pretty extensively in the South and in California. Thus, it might very well be that we ought not to apply the reduction of acreage to barley and oats for this reason. We do not want to go plowing them up. We could apply the support provisos to it without the acreage reductions to it. This is another problem.

Senator MUNDT. If we had a specific program for each crop you would not have quite this treat that you now have because you could calculate it.

Secretary FREEMAN. Yes, that is correct.

Senator MUNDT. And the merchant can calculate. But where you have a variation here no one can calculate it because you cannot out-guess the human mind.

Secretary FREEMAN. May I say to the committee we do not deal, as you know better than I, with an ideal set of circumstances, and I know you will weigh this program which you may find limited in some respects against the alternative, which is to take on six to seven hundred million more bushels at this time for no very good purpose.

Senator MUNDT. Well, I favor what you are trying to do if we can work it out—

Secretary FREEMAN. Yes, sir.

Senator MUNDT. So that it does not create greater problems than it cures.

Secretary FREEMAN. I know.

Senator MUNDT. Now, on page 3 again, we have pegged at that particular section 3 the floor at \$1.05. How about the other grains, have you pegged them, too?

Secretary FREEMAN. They would be commensurate, because the bill provides for the proportionate feed relationship.

Senator MUNDT. You would apply that formula at a fixed price?

Secretary FREEMAN. Yes, sir.

Senator MUNDT. What do you propose to do about the land that goes into cover crops; is that going to be pasture?

Secretary FREEMAN. It would be subject to the usual regulations of ACP for adequate cover crops and conservation purposes, not pasture, not harvest.

Senator MUNDT. No pasture and no harvest?

Secretary FREEMAN. No pasture and no harvest.

Senator MUNDT. For hay or anything else?

Secretary FREEMAN. No, sir.

The CHAIRMAN. Any further questions?

Senator MUNDT. One further question: Have you given any thought to meeting the problem that Senator Holland suggested about the South invading our corn area, which they doing, to utilizing the device of cross-compliance; and whether you could protect our acreage on that basis.

Secretary FREEMAN. Well, I would only say that one of the things that makes this complex, and one of the things that, perhaps, lies behind the fact that on occasion people have said that the Secretary of Agriculture is not the easiest job in Washington, is the fact that crops are moving, technology is changing, the market is changing; eating habits are changing, and it is all in a state of flux, and, as such, why, the ability to give yes and no, black and white answers is limited; and I think this movement is taking place in part, and adjustments are taking place.

Senator MUNDT. That does not quite respond to my question as to whether you have given any thought to using cross-compliance as a mechanism in stopping the South from stealing our corn acres.

Senator HOLLAND. Mr. Chairman, I would like to intervene by stating there that the Senator from Florida has been the one who has always insisted on cross-compliance throughout his membership on this committee.

Senator MUNDT. I know you have.

Senator HOLLAND. Even to the extent of getting it voted into the bill one year, and getting it promptly knocked out next year; I certainly would not object to cross-compliance.

Senator MUNDT. This is a different club from the price-setting factor in the job we are trying to do.

Secretary FREEMAN. No. 1, they could not come under the program with new corn, new areas, because it would be subject to the current acreage in its administration; secondly, as the program now exists, this movement has in the past few years not been a very heavy one.

Senator MUNDT. You mean increasing corn production in the South?

Secretary FREEMAN. Yes.

Senator HOLLAND. Increasing corn production in the South, if I may be heard on that, went up to the extent of 38 new counties which came into the classification of commercial corn counties in 1 year just before the program was terminated.

Senator MUNDT. It is one of the serious problems.

Senator HOLLAND. That is almost the equivalent of a State, and points out the potentiality of the South to produce corn.

Secretary FREEMAN. This goes, on, under this program, I think you direct attention, if I understand you, Senator, to an additional question, and you are saying to me, as Secretary, to look into the invasion of the Corn Belt by the South. This would not have effect—

Senator MUNDT. And the possibility of utilizing some type of cross-compliance to prevent that because they cannot put their land down there into corn if they are participating in some other price-support program in the event you use cross-compliance; is that right, Senator?

Senator HOLLAND. Yes. I am perfectly willing to have cross-compliance, although I do call attention, Mr. Chairman, to the fact that will not be effective in many cases because these farms are not producing any other price-supported commodities.

Senator MUNDT. In those cases, you cannot stop them. They have as much right to plant corn as anybody else.

The CHAIRMAN. You must not forget that this is a 1-year bill. It is just one of these must bills.

Senator PROXMIRE?

Senator PROXMIRE. I would like to preface my question with a statement congratulating the Secretary on what I think has been a very impressive and effective performance.

I want to say, Mr. Chairman, on all the major points which the Secretary has made he has been unshaken. The fact is that I am convinced that this new program will reduce costs; perhaps it will not be the precise reduction they indicate in their charts, but I cannot see that any of the questions have indicated that there will not be, at least, some substantial reduction running into hundreds of millions of dollars. The fact is this bill will reduce Government stocks and will do that substantially. Heaven knows we need that in the worst way. And the unshaken fact is this bill will increase farm income which, I think, is most important of all; it will increase farm income substantially.

How it does all this is the basis for my question. It does this by increasing the price to the consumer of feed grains, now farmers in my State are consumer of feed grains. This bill would increase the price and it would raise the question of a possible cost-price squeeze for the dairy farmer. This is what very much concerns me.

Now, as I understand it, the marketing year for milk is coming to an end in only 5 weeks, and an announcement by the Secretary of his intentions would be very welcome, particularly in view of this kind of program. [Laughter.]

Secretary FREEMAN. Senator, I am not quite sure I know how to answer that question.

Well, No. 1, we do not anticipate flowing from this program any increased consumer costs and, may I say, in general, that I think the old rule that cheap feed usually means cheap hogs, cheap dairy, cheap everything—

Senator PROXMIRE. I agree with that 100 percent.

Secretary FREEMAN. And there will conceivably be—if we make some adjustments here, certain adjustments, consumerwise, in the long run, but from this program, we see no immediate effect.

As a matter of fact, we feel that it will tend to deter what might be a dangerous break in the hog and related markets from the continued addition of surplus stocks.

Senator PROXMIRE. Yes. But I though your appearance on television the other day was excellent from the standpoint of indicating that the farmer has been subsidizing the consumer.

Secretary FREEMAN. Yes, he has.

Senator PROXMIRE. Very sharply, and I do not see any reason for apologizing about a moderate increase, a modest increase, in the price the consumer may have to pay for milk or may have to pay for other ultimate farm products. I think this feed grain price is going to result in this. What concerns me is that the burden may be borne not by the consumer. In our system, I think this is where it should be. But it will be borne by the farmer. I know you understand this. But I wanted to be sure you fully appreciated it—so that the urgency of the dairy farmer's situation was conveyed to you.

Secretary FREEMAN. I understand that.

The CHAIRMAN. Are there any other questions?

Senator TALMADGE?

Senator TALMADGE. You can go ahead if you like.

Senator YOUNG of North Dakota. No, you go ahead.

Senator TALMADGE. Mr. Chairman, my studies of these programs indicate to my mind that the primary justification for a price-support program is to put more money into the pockets of the farmers, and that is the principal objective thereof.

Secretary FREEMAN. Yes, sir.

Senator TALMADGE. As I see it further the problems that we run into largely result from the Government's getting into the business of buying farm commodities, storing, warehousing, and shipping them and, ultimately, selling them. That is your great bulk of costs. Your warehouse bills alone now amount to over \$1 billion a year. Why shouldn't we do it the simply way, and let the farmers get all the money that goes for price support by a simple compensatory payment proposition?

Secretary FREEMAN. I think there is—I have reviewed your bill, and I have read your message in connection with it, Senator, and we are studying it very carefully. I think there is a great deal of merit in your recommendation.

Senator TALMADGE. If you did that you would, first, let the farmer farm; second, you would assure him of a fairer share of the national income; thirdly, you would put American farm commodities back on the world market at competitive prices, and all of your commodities would be at the same price. You would not have two different minimum resale prices for CCC feed grains, one, at whatever the market might be, to cover the cost of cash redemptions of payment-in-kind certificates, and the other at \$1.05 a bushel; the farmer never knowing what his feed grain was going to bring, whether it was going to be beat down below \$1.05 by sales of Commodity Credit Corporation or whether it was going to be \$1.20, which would be the new price support. We have had the committee statistician and the Library of Congress do a good deal of work on this matter since I have been a member of this committee. Both reports show that the farmers would receive more money at less cost to the Government. I do not understand why we do not make that approach.

The CHAIRMAN. Senator Young?

Senator YOUNG of North Dakota. Mr. Chairman, I would like to ask just one question.

You would peg the price support for corn at \$1.20 a bushel under this bill.

Secretary FREEMAN. Well, by taking 20-percent acres out we would expect that the price would be \$1.20 on the market automatically.

Senator YOUNG of North Dakota. What would you estimate the price support then would be for oats and barley and sorghums?

Secretary FREEMAN. Well, the oats and barley and sorghums would be in this program, it would be the price related as it is in terms of the feed equivalent, the formula that would produce it.

Senator YOUNG of North Dakota. That is a pretty loose formula, as I have found in the past. You can juggle that around about to suit yourself.

Senator MUNDT. Would you be able to supply for the record a pretty accurate guesstimate of what the prices would be for the other feed grains applying the formula to \$1.20?

Secretary FREEMAN. Yes, I would do that.

Senator MUNDT. I ask permission to do that.

(The information referred to follows:)

Recommended support prices for the 1961 crop:		Per bushel
Corn-----		\$1. 20
Grain sorghum-----		1. 05
Barley-----		. 93
Oats-----		. 62

Senator HOLLAND. Mr. Chairman, there is one other comment I want to make because I want to be sure I understand what the Secretary believes will come from this program if it is adopted.

As I understand it from his testimony, this program would mean that the price for corn would be from \$1.20 at a maximum to \$1.05 as a floor; is that a correct statement of the objectives?

Secretary FREEMAN. No, sir; not quite, Senator.

Senator HOLLAND. Would you restate it?

Secretary FREEMAN. The price support for corn will be \$1.20 for everyone who complies with the program. For those who do not comply, the market price for corn might be anywhere between \$1.05 and \$1.20.

Senator HOLLAND. But the \$1.05 is the floor and the \$1.20 is the ceiling?

Secretary FREEMAN. Yes, sir.

Senator HOLLAND. Well, Mr. Chairman, it seems to me that we have had——

Senator MUNDT. Will you yield?

Senator HOLLAND. We have had ample evidence of the fact that \$1.06—\$1.05 is practically the same thing—offers plenty of inducement to people with ample acreages to put in corn, to produce vastly more than they have ever produced before. With an objective which would be, as I understand it now, to not let the market price go below \$1.05, I can envisage just tremendous numbers of people and great amounts of acreage being planted to corn to take advantage of that situation.

Secretary FREEMAN. That is what it is now, Senator.

Senator HOLLAND. How do you change that by this, since this is a voluntary program? How do you change that situation if the minimum price support for the market is going to be the same as it is now?

Secretary FREEMAN. Because I think that chart would show that the average farmer is going to have more income under this combination program than he would have now.

Senator MUNDT. Would the Senator yield now?

Senator HOLLAND. Yes.

The CHAIRMAN. If you put soybeans in it.

Secretary FREEMAN. Well, the soybeans can be taken out of it because the present soybean market price is such that there would be a higher return on soybeans.

Senator MUNDT. If the Secretary is going to stand on his answer to Senator Holland's question if you have \$1.20 price support for the complier, and the \$1.05 for the noncomplier, than you might as well strike out this parenthetical statement to which you called my attention "except for sales to cover the cost of cash redemptions of payment-in-kind certificates."

Secretary FREEMAN. That depends on how much payment in kind we get if we get acreage out, and if the chairman's suggestion of working out a combination program existed, this would be——

Senator MUNDT. If you have a floor of \$1.05 you do not need that parenthetical observation.

Secretary FREEMAN. This would only mean to the extent that someone went into the program on a payment-in-kind basis, that that corn would be released. But so far as the Secretary might see fit to release corn otherwise than under the payment-in-kind proviso, we do not know how much that would be if there would be that \$1.05 floor. If in the wisdom of this committee——

Senator MUNDT. You either have a floor or you do not have it. If you have a floor you cannot release it below \$1.05. If you do not have a floor, you can release it down to anything, down to zero.

Secretary FREEMAN. The amount that would be released would be relatively modest under the provisions, we feel, of the payment-in-kind.

Senator MUNDT. Why don't you eliminate the reservation if you are not going to have a floor?

Secretary FREEMAN. If the committee saw fit to eliminate the floor I would do my best to carry that out.

Senator MUNDT. It might cure some problems, but there might be some other questions raised if there would be a hole in the floor.

Secretary FREEMAN. As I said in the beginning I am just starting out as Secretary of Agriculture, and I do not propose to come before this committee and ask for any more power than I need. It has been my experience that the legislative branch is not particularly desirous of turning over more power to the executive branch. Maybe I am modest, and maybe I will get more aggressive as time goes on.

The CHAIRMAN. Senator Hickenlooper?

Senator HICKENLOOPER. Mr. Secretary, do I understand that the inducement for participation in this program would be the low market price of corn? In other words, what inducement would there be for a person to go into this program and reduce 20 percent at \$1.20?

Secretary FREEMAN. That he would get more income.

Senator HICKENLOOPER. Then it is based on the fact that the market price you anticipate would be lower than that, and it would be more advantageous for him to go into the program.

Secretary FREEMAN. Under the present program it would be \$1.05.

Senator HICKENLOOPER. You anticipate under the present program it would stay around there?

Secretary FREEMAN. Probably go lower.

Senator HICKENLOOPER. Therefore, the low price on the market would be the inducement in addition to any advantageous payment that might be made for acreage reduction.

Secretary FREEMAN. In part, yes, sir.

Senator HICKENLOOPER. But the low price in the market today would be an inducement to come in under the support price of \$1.20?

Secretary FREEMAN. Yes, sir.

Senator HICKENLOOPER. Well now, do you expect to stabilize this market at \$1.20? What are your goals in the market for corn?

Secretary FREEMAN. Really, and I am not, Senator, trying to be evasive, but we do not know what will happen under this program. If there were a 100-percent compliance we would have no problems of administering this program.

If there was zero compliance we would have no program. Somewhere in between is where it will end up, and where it ends up will depend upon what the Secretary does, and I submit to you that there is no categorical answer to your question.

Senator HICKENLOOPER. Do you anticipate very substantial compliance in the program?

Secretary FREEMAN. Yes, sir.

Senator HICKENLOOPER. You are familiar with the record of compliance on land retirement in the past and, based on the fact that most of the corn that is raised is fed on the farm or in the immediate neighborhood. I do not know what the percentage is, but somewhere around 85 percent, I think, is fed either on the farm or in the immediate neighborhood, and there are a great number of farmers who took the position that they would not engage in programs of reduced acreage because they needed all the corn they could plant, and they would

take their chances on it. Don't you think that same law may apply to this particular program?

Secretary FREEMAN. Two weeks ago I went home over a weekend and down to the farm that has been in our family, and I own a small interest in, and worked on as a boy. The man who farms that farm has been there for 35 years, and I made this proposal to him. It is a corn-hog-dairy farm, and said, "what would you do?"

Well, he scratched his head a while, and he said, he was not just quite clear what we would do, but it looked like a pretty good thing to him, and he said, "you know, there isn't really much sense producing corn to put into storage, is there?" And he says, "I never quite like to do that." But, the net result was that he was not sure, but I have a hunch that he would comply.

Senator HICKENLOOPER. Well, we have had—

Secretary FREEMAN. Now he feeds a 100 percent; he never sells any corn.

Senator HICKENLOOPER. We had a record; it is 75 percent or more of the farmers in our State who have not produced corn for storage. They fed it all out, and what they want is the corn.

Now, there might be an inducement in receiving payment in kind, but I asked a moment ago what are your objectives in this program. I mean, what do you hope to accomplish here? Do you hope to get corn at \$1.20 a bushel on the market or just what is it?

Secretary FREEMAN. The objectives are threefold: No. 1, to save the Government money; No. 2, to increase the income to the farmers; No. 3, to reduce the stocks on hand. I think it will do all three.

Senator HICKENLOOPER. Do you think that this will bring the price of corn in the market up to \$1.20?

Secretary FREEMAN. If the program works as it is planned, why, it will be close to the support price. It will clear the market at \$1.20.

Senator HICKENLOOPER. That is your hope?

Secretary FREEMAN. Yes, sir.

Senator HICKENLOOPER. Well now, is it your desire to get corn higher than \$1.20?

Secretary FREEMAN. If I might be permitted, there will be a time in the next month when I will submit to this committee a permanent wheat and feed grain program, and think in terms of our total relationship and where we go. This is an emergency program, and we have the midnight oil burning, and we are grinding away at that question, and I do not really think I can answer it.

Senator HICKENLOOPER. I realize it has been a complicated problem, and we have been at it for many years, and nobody has the final solution so far as I know. But in this program, first, you have a support price at \$1.20; then you propose under this bill, or if given the authorization, to sell feed grain out of surplus on the market. Won't that tend to keep knocking the market down outside of that support program? How can you increase the price of corn on the market when you release surpluses into the market at the market—not at a fixed price of what the Government has got in it, but at the market, how can you build up a market price at the same time you are releasing products out to the market, that is the thing that mystifies me?

Secretary FREEMAN. Well, your question is well-taken, and it will depend upon how this should be administered. If the program re-

sults in the degree of compliance that we predict and expect that it will, why, our problems will indeed be minor ones.

If it does not, it may very well be that this discretionary authority will be used.

There is, of course, the difference between the time that the corn is put under loan and the time the corn is taken over. It will be put under loan this fall and will not be taken over until next year. In the interim, why, it would be, what happens would depend upon, the degree of compliance, and I honestly cannot answer the question.

Senator HICKENLOOPER. I understand you do not—

Secretary FREEMAN. There are two forces there that are pulling, and it will depend on how it is administered and how it is handled, I think.

Senator HICKENLOOPER. But I am a little confused as to the necessities or the purposes of section 3, which says, "notwithstanding any other provision or law." Now, you already have provision in the bill for releasing surplus into the market to make payments in kind which would be released, if that is the way it works. But section 3 says—

notwithstanding any other provision of law, the Commodity Credit Corporation is authorized to sell any feed grain at market prices.

What is the purpose of that one?

Secretary FREEMAN. The purpose of that is, and I would so declare here in the record very specifically would be, to seek to manage this program in such a way that the noncomplier would not profit at the expense of the complier; because we do not have time to have a referendum, so that it is decided and everybody works together.

Senator HICKENLOOPER. If that is the result then the purpose is to keep the price down, the market price down; so that the noncomplier—well, this is not a very apt word, but that he will be punished or that he will not obtain benefits for noncompliance.

Secretary FREEMAN. That might happen temporarily.

Senator HICKENLOOPER. So that might keep the market price, the support price of corn down.

Secretary FREEMAN. That is conceivable.

Senator HICKENLOOPER. I notice in your statement which you made here, you say, "Second, it will assure the consumer of fair and stable prices for meat, poultry, and dairy products."

Now, is it a part of the purpose of this bill to keep the feed grain costs to the consumer down at a low level so he can have a low feed grain price for his chickens and things of that kind?

Secretary FREEMAN. That statement might have been better made, it was intended to convey the purpose, that the extreme fluctuations of the market would be avoided, and that we are concerned that there might be a grave break in the market.

Senator HICKENLOOPER. Now, have you considered the proposition of approaching it from the standpoint of just the overall grain, feed grain, problem rather than corn; that is, on the basis it is a question of the total feed units that are available in this country rather than the question of any specific commodity?

Secretary FREEMAN. Yes, sir.

Senator HICKENLOOPER. What do you think about that?

Secretary FREEMAN. I think that is the very essence of a permanent long-term program that I would propose to submit, but that there will not be time to either consider it or act upon it at this time to meet the immediate problem of feed grains that are going to go into the ground in 2 weeks.

Senator HICKENLOOPER. Well, I agree very thoroughly that is a very promising avenue of approach to this whole question of feed grain surpluses, the approach on the basis of feed units.

Now, it does not do much good to reduce corn production if you are going to increase other feed grain production because you will have the same X number of feed units available for feed, and you do not solve your surplus problem that way at all.

Secretary FREEMAN. Well, all of the feed grains are included under this.

As I said earlier, we have the practical problem of the small grains, many of which are already planted as of now. The alternatives are not ideal, and the time we have in which to act is sharply limited.

Senator YOUNG of North Dakota. Would you yield, Senator, at that point?

Senator HICKENLOOPER. Yes.

Senator YOUNG of North Dakota. Do you contemplate that as a condition of eligibility for price supports that oats and barley producers would have to reduce their acres 20 percent? Is that a part of the program?

Secretary FREEMAN. Well, I would hope this committee would consider this very carefully, representing as you do, people from different parts of the country.

It would appear to me at my present thinking that oats and barley would not come in under the acreage retirement provision because in many parts of the country it is already planted, but they would come in under the price-support provision.

Senator YOUNG of North Dakota. What price support?

Secretary FREEMAN. \$1.20.

Senator YOUNG of North Dakota. An equivalent?

Secretary FREEMAN. Equivalent of \$1.20.

Senator YOUNG of North Dakota. But there would be some price-support increase?

Secretary FREEMAN. Yes.

The CHAIRMAN. Any further questions?

Senator MUNDT. Take a farmer up in your State or mine where planting has not been made, a diversified farmer; does he take his whole 20 percent reduction in feed grains out of his production of oats and barley and rye, and still get his price support on corn without reducing the farm acreage at all?

Secretary FREEMAN. Yes, if all feed grains are treated as whole, but we believe in this emergency program that cutbacks should be limited to corn and sorghums.

Senator MUNDT. You have a 20-percent formula on production.

Secretary FREEMAN. Yes.

Senator MUNDT. He could take it all out of the small grains and get his price support on corn without reducing his corn acreage.

Secretary FREEMAN. Only if we treat feed grains as whole which is not our present thinking.

Senator MUNDT. Two-to-one ratio.

Senator PROXMIRE. One of the values of this program is that there will not be a premium on taking a whole farm out.

Secretary FREEMAN. That is right.

Senator PROXMIRE. One great advantage I see is that the farm would tend to stay in, a great advantage to the villages.

The CHAIRMAN. Mr. Secretary, there may be some who would like to propose this combination feature I spoke about a while ago—

Secretary FREEMAN. Yes, sir.

The CHAIRMAN (continuing). Of paying a certain percentage in cash and a certain percentage in kind. I wonder if you could work out and give us a memorandum on how much a producer would have to shift percentagewise from his 1959-60 acreage and how much the payments should be, let us say, on a 60 percent cash and 40 percent payment-in-kind.

Secretary FREEMAN. All right, sir.

The CHAIRMAN. And 50-50 on a 50-50 basis. In other words, what I am suggesting is that you give the minimum amount acreage, percentagewise that we would have to cut so as to attain this 600 million bushel saving that we have been talking about all morning.

Secretary FREEMAN. All right; we will do that.

(The information is as follows:)

ACREAGE RETIRED AND PAYMENTS INVOLVED UNDER A COMBINATION OF CASH PAYMENTS AND PAYMENTS-IN-KIND

ASSUMPTIONS

A net reduction of 18 million tons of feed grains is required. Of this 2.8 million would be obtained by the shift from feed grains to soybeans, leaving 15.2 million tons to come from reductions in corn and sorghum grain acreage. Acreage would be reduced enough to offset the quantity of corn and sorghum grains put into the market from CCC stocks under the payment-in-kind program.

Participation is assumed to be 70 percent with a 20-percent "slippage" factor to allow for above average production on the remaining acreage and the retirement of lower producing land. Cash payment would be based on 60 percent of the support rate per bushel on the production of the retired land: Corn, \$1.20 times 60 percent equals 72 cents per bushel; sorghum grain \$1.05 times 60 percent equals 63 cents per bushel.

Net reduction in production required:

[In millions]

	Bushels	Tons
Corn.....	478	13.4
Sorghum grain.....	66	1.8
Total.....	544	15.2

PRINCIPAL FINDINGS

1. Under the 60-40 combination, each farmer participant would be required to cut back his corn and/or sorghum acreage by 27 percent. Payment costs would total \$394 million for the cash part and 248 million bushels for the payment in kind. (See the supplementary statement under combination I.)

2. Under the 50-50 combination, each farmer participant would be required to cut back his corn and/or sorghum acreage by 30 percent. Payment costs would total \$362 million for the cash part and 340 million bushels for the payment in kind. (See the supplementary statement under combination II.)

Combination I: 60 percent cash—40 percent payment-in-kind

	Acreage retired	Production reduced	Cash payment: 60 percent	Payment-in-kind: 40 percent
	<i>Million acres</i>	<i>Million bushels</i>		
Corn.....	15.8	814	488 million bushels.....	326 million bushels.
Rate of payment.....			\$0.72 per bushel.....	66.7 percent.
Total payments.....			\$351 million.....	217 million bushels.
Sorghum grain.....	2.9	114	68 million bushels.....	46 million bushels.
Rate of payment.....			\$0.63 per bushel.....	66.7 percent.
Total payments.....			\$43 million.....	31 million bushels.
Total grain.....	18.7	928	\$394 million.....	248 million bushels or 6.9 million tons (from CCC stocks).

Acreage reduction for 70 percent participation

	Corn, million bushels	Sorghum grain, million bushels	Total grain, million bushels
Reduction in production.....	814	114	-----
Payment-in-kind from CCC stocks.....	-217	-31	-----
Supply, less grain from CCC stocks.....	597	83	-----
Less 20 percent "slippage".....	-119	-17	-----
Net reduction in supply.....	478	66	544

	Base acreage	Acreage retired	Percent reduction per farm
Corn.....	58.1	15.8	27
Sorghum grain.....	10.8	2.9	27

Combination II: 50 percent cash payment—50 percent payment-in-kind

	Acreage retired	Production reduced	Cash payment: 50 percent	Payment-in-kind: 50 percent
	<i>Million acres</i>	<i>Million bushels</i>		
Corn.....	17.4	896	448 million bushels.	448 million bushels.
Rate of payment.....			\$0.72 per bushel.	66.7 percent.
Total payments.....			\$323 million.	299 million bushels.
Sorghum grain.....	3.2	124	62 million bushels.	62 million bushels.
Rate of payment.....			\$0.63 per bushel.	66.7 percent.
Total payments.....			\$39 million.	41 million bushels.
Total grain.....	20.6	1,020	\$362 million.	340 mil. bu. or 9.5 mil. tons (from CCC stocks).

Acreage reduction for 70 percent participation

	Corn, million bushels	Sorghum grain, million bushels	Total grain, million bushels
Reduction in production.....	896	124	-----
Payment-in-kind from CCC stocks.....	-299	-41	-----
Supply, less grain from CCC stocks.....	597	83	-----
Less 20 percent "slippage".....	-119	-17	-----
Net reduction in supply.....	478	66	544

	Base acreage	Acreage retired	Percent reduction per farm
Corn.....	58.1	17.4	30
Sorghum grain.....	10.8	3.2	30

Senator HOLLAND. Mr. Chairman, one thing that continues to come up to disturb me is the belief that so many producers of corn would not accept this program but instead would increase their planting.

I ask that the staff place in the record at this time, because I hesitate to try to repeat the figures from memory, the total acreage of corn allotment for each of the years 1950 to 1956, and the percentage or the total number of acres, whichever they wished to accept as allocations, and declined to accept the allocations; and also for each year the price support for each year, my recollection being that the price support for each of those years was largely more than what we are talking about now. My recollection is also that producers of something like three-fourths of the acreage declined to accept the allocation, preferring instead to increase their production, and offer it on the market.

Does the staff understand what my request is?

Senator Hickenlooper's memory may be more correct than mine on that, but my recollection is that the total allotment was something like 58 million acres, and the total number of producers who accepted and came under the program was less than 20 percent, between 15 and 20 percent, Senator Mundt may also remember those figures. And the support price at that time was substantially half again as much as what we are talking about now. If the actual figures are placed in the record it should show the disinclination of corn producers to accept the cover of a fixed or guaranteed price support when it was much more tempting that it is now.

(The information referred to follows:)

Corn

Crop year	Total corn acreage allotment	Total acreage in compli- ance	Percent of total allot- ment com- plying	National av- erage support level per bushel
1960.....				\$1.06
1959.....				1.12
1958.....	38,818,381	(1)		² 1.36-\$1.06
1957.....	37,288,889	7,000,325	19	² 1.40- 1.10
1956.....	43,280,543	14,318,644	33	² 1.50- 1.25
1955.....	49,842,697	21,924,896	44	1.58
1954.....	46,995,504	16,663,045	35	1.62
1953.....				1.60
1952.....				1.60
1951.....				1.57
1950.....	46,246,973	17,619,292	38	1.47

¹ Acreage in compliance not available. Farmers by referendum voted to discontinue corn acreage allotments and information on compliance was not submitted by States to Washington office.

² The higher rate represents support level for farmers in compliance with corn acreage allotments. The lower rate is for farmers in commercial corn area not in compliance with corn acreage allotment.

Senator HICKENLOOPER. Mr. Chairman, I wonder if, in the light of the testimony this morning and other testimony which will be given, I wonder if the Secretary would be willing to come back if the committee——

The CHAIRMAN. Oh, yes; I was going to suggest that.

Senator HICKENLOOPER. Perhaps he can come at a later date to discuss this.

The CHAIRMAN. If the Secretary has time to sit with us this afternoon or leave some of his experts with the committee, we would appreciate it.

Senator HICKENLOOPER. There are quite a number of other questions I would like to ask, but others may want to ask questions.

The CHAIRMAN. Well, Mr. Secretary, we want to ask you if you can return at 2 o'clock, and if you cannot——

Secretary FREEMAN. Do you wish me—I am, of course, at your command, or if Dr. Cochrane who, I think, could answer the questions, could be here, I would do as you see fit. I do have a loaded afternoon that I would need to cancel out, but I would come here because this is No. 1 priority.

The CHAIRMAN. Suppose we ask Dr. Cochrane, Senator Hickenlooper, to be present, and if per chance you desire to further question the Secretary we can do it at some other convenient time.

Secretary FREEMAN. I will be in my office and come right down if there is something else.

The CHAIRMAN. Mr. Shuman is very anxious to leave and he has a short statement, I understand, he desires to make.

Secretary FREEMAN. Thank you.

The CHAIRMAN. We want to thank you very much, Mr. Secretary, for your presence here. You did very well.

Secretary FREEMAN. Thank you.

The CHAIRMAN. All right. Will you identify yourself for the record, Mr. Shuman.

STATEMENT OF CHARLES B. SHUMAN, PRESIDENT, AMERICAN FARM BUREAU FEDERATION

Mr. SHUMAN. Mr. Chairman, my name is Charles B. Shuman. I am president of American Farm Bureau Federation, and I do appreciate the opportunity to present this very brief statement. I do not think it will take over 10 or 12 minutes, and I will condense it very much.

We appreciate the opportunity to present Farm Bureau's view on the "Special Program for Feed Grains for 1961" as submitted by the administration. We would also like to make some recommendations that we think will be helpful to this committee and the Congress in dealing with the wheat and feed grain problem and its solution.

As an introduction to our recommendations, I would like to say a few words about Farm Bureau, its members, and their philosophy.

Farm Bureau is an organization of 1,600,792 farm families with member units in 2,674 counties in 49 States and Puerto Rico. Our policies are developed through an intensive policy development program which involves study, discussion, and action by the members and their elected representatives at literally thousands of meetings each year. Every member has the opportunity to participate, and all are encouraged to do so. We do not claim this process to be perfect. We are constantly seeking to improve it; however, we are proud of the fact that our policies reflect the active participation of hundreds of thousands of our members.

As a general farm organization, representing members who live in all important farming areas and produce all of the many products grown in this country, Farm Bureau must, of necessity, reconcile regional and commodity differences. Our goal is to serve the best interests of agriculture from an overall standpoint, and to do so on a basis consistent with the national interest.

While there is a serious problem in feed grains, we would point out that, relatively speaking, the problem in wheat is much worse. If we are to arrive at a workable solution of the overall problem of excess stocks of grain, we are of the firm conviction that wheat and feed grains must be considered together and at the same time.

In order that we may all better understand the overall grain situation, I list below table I which shows the average production, disappearance, and carryover of wheat and feed grains.

TABLE I.—Average output, disappearance, and carryover of wheat and feed grains, 5 crop-years, 1956–60

Crop	Average production	Average use ¹	Production as percent of use	Estimated 1961 carryover	Estimated 1961 carry-over as percent of 1960–61 use
Wheat.....million bushels..	1,181	1,091	108.2	1,526	132
Corn.....do.....	3,862	3,697	104.0	2,000	48
Feed grains ²million tons..	152	145	105.0	84	53

¹ Including exports.

² Totals for corn, sorghum grain, oats, and barley.

Date in table I indicates that—

(a) Annual wheat production over the last 5 years has exceeded annual disappearance by an average of 8 percent. The accumulated wheat carryover is 132 percent of total 1960 use.

(b) Annual feed grain output over the last 5 years has averaged 4 percent above annual utilization. The present carryover is equal to 53 percent of total 1960 use.

Senator YOUNG of North Dakota. Mr. Shuman, you admit there has been a faster buildup in feed grain and sorghums in the past 3 years than there has been in wheat or any other commodity?

Mr. SHUMAN. No. In the last 2 years the buildup of feed grains has not been faster, if my recollection of the figures is right; I would have to check to be really sure, but I think it has been less than that of wheat.

Senator YOUNG of North Dakota. Not according to my figures.

Mr. SHUMAN. Well, you ought to check those because I am not sure.

Senator YOUNG of North Dakota. Yes.

Mr. SHUMAN. We believe a workable cropland retirement program which would cover wheat and all feed grains is very desirable. We also believe that a requirement for producers to shift a part of their cropland to soil conserving uses as a condition of eligibility for price support of wheat and feed grains is sound. At the conclusion of our statement we attach a copy of a bill which has already been introduced by several Members of Congress that would carry out our organization's view in this regard.

We are in sharp disagreement with the administration's complicated and dangerous proposal for a special 1-year-only program for feed grains. We believe such a program would cause more problems than it would solve. It is unworkable and it would be highly disruptive to the livestock, dairy, and poultry industries.

The proposed program contemplates reinstating the discredited acreage allotment concept for corn and other feed grains. Corn belt farmers, by their own choice and vote, discarded acreage allotments on corn under the Agricultural Act of 1958. Corn allotments never have worked, and farmers themselves voted them out. It is difficult to understand why anyone would consider reinstating them, even for 1 year.

The proposal to tie corn allotments and other feed grain allotments to a historical 1959-60 pattern is outright discrimination. The very person who has abused his farm, thus contributing to the surplus problem, would now be rewarded for this action. Farmers who are carrying on a rotation and not depleting their soil would resent this. Under our proposal, the amount of land a farmer must retire to qualify for price support on wheat and other grains is based on his total cropland, rather than the way he has used his cropland the last 2 years.

By raising price supports of corn and the other feed grains, the Government would be bidding against itself in trying to get farmers to retire land. Cutting acreage and raising price supports would give farmers a strong incentive to increase per acre yields on their remaining acreage through heavy use of fertilizer, supplemental irrigation, and other production-stimulating practices. Thus, much of the contemplated effect of cutting feed grain acreage would be lost.

As we understand the proposed program, there is nothing in it to keep a producer from shifting pasture and hayland to soil-depleting crops such as flaxseed or soybeans, and thereby actually increase his production of feed units while being paid for reducing other feed grain acreage.

A temporary 1-year program of the type that has been proposed would aggravate rather than solve the basic problem of excess productive capacity. In order to be fully effective, a land retirement program must provide for the same land to be held out of production for a period of years.

In our considered judgment, the cost estimate of the special 1-year feed grain proposal is far less than the amount that would be required if there should be a high degree of participation.

One of the most disturbing features of this special proposal is the obvious threat to use the Government's huge surplus stocks to beat down the market price of feed grains. This is a brandnew fallacious concept. Grain farmers and livestock people will strenuously object to this 1961 version of price control once they understand its implications. The effect would be to make the Government the market for the cooperator's grain, and to disrupt the livestock, poultry, and dairy industries by politically manipulating the release of Government stocks of feed grains on an unpredictable basis. Who would possibly lay in a stock of any feed grain with a threat like this hanging over the market?

The CHAIRMAN. Mr. Shuman, at this point, as I understand the explanation made by the Secretary, that except in the case of a payment-in-kind program that he contemplates, which he says will not be too much or too great, that the price of the commodity cannot be less than what the law provides.

Mr. SHUMAN. Well now, I detected a great deal of confusion on that point while the questioning was going on of the Secretary.

Our analysis of this proposal, including the revision on page 4 would indicate that this revision applies only to Commodity Credit stocks that are not involved in payment-in-kind payments; in other words, this provision supersedes section 407 of the previous legislation which said, in effect, that corn and other basic commodities cannot be sold out of Commodity Credit stocks at less than 105 percent of the loan rate, plus carrying charges, and before the revision of stocks could be disposed of. So there is some limitation.

The effect of the amendment, however, is not to prohibit the selling of any, it just limits a part of the stocks, so it would be—the Department could depress the price of, the market price of commodities, very drastically under this proposal.

The CHAIRMAN. You mean other than that which would have to be sold and taken in or given the farmer as a payment-in-kind.

Mr. SHUMAN. Well, the change that this will induce—this change has the effect of permitting any stocks involved in this section, which include grain—this is the change on page 3, by the way, it has the effect of permitting any stocks involved in this section, which includes grain, which must be sold whether the producer elects to take cash rather than grain in the second 20-percent retirement, since there is ample opportunity, even with the revision, to depress the market price.

The CHAIRMAN. But he could not go beyond that, in your view, could he?

Mr. SHUMAN. He could go below the 105 percent, yes.

The CHAIRMAN. You mean as to the second feature of the bill, that is, the payment in kind?

Mr. SHUMAN. Yes, other than the one limitation he can go and depress the price to, well, potentially to zero but, of course, not actually. There is no limitation under this bill on the Secretary if he desires to depress market prices, earmarked prices, because there is plenty of grain to do it with, other than the limitations written in.

The CHAIRMAN. Yes. But the sale price though is fixed by law except as to the amount that is given in kind.

Mr. SHUMAN. Yes. Well, this is enough exception to permit the depressing—I think Senator Mundt brought this out very adequately.

The CHAIRMAN. Yes.

Mr. SHUMAN. The proposed increase in soybean prices is a most unwise move. Soybean prices have been above the support level, and have been rising for several months. The soybean program always has worked well because price supports have been used to facilitate orderly marketing, rather than to fix prices. The present market price provides ample encouragement for increased production. With a support price of \$2.30 per bushel, as suggested, there is a strong probability that the growth of commercial markets will be restricted and soybeans will soon join the list of crops plagued with unmanageable surpluses.

Finally, we think it is extremely unfortunate, as we stated earlier in our testimony, that the administration has seen fit to propose for feed grains a program without indicating what it expects to propose for wheat. The surplus problem is far more serious for wheat than for feed grains. There is little point in asking farmers to reduce the production of feed grains until they can be assured that wheat will not be “dumped” into the feed market on a subsidized basis.

We appreciate the opportunity of appearing before your committee to present our views. We hope that the committee will start right now to develop a program for wheat and feed grains that will be ready for farmers who will be fall planting for 1962 crops.

We earnestly hope that you will carefully study our organization's Cropland Adjustment Act of 1961 which deals with the overall wheat and feed grain problem on a permanent basis. Copies of our bill and detailed explanation are attached.

(The document referred to follows:)

A BILL To establish a cropland adjustment program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the “Cropland Adjustment Act of 1961.”

DECLARATION OF POLICY

SEC. 2. The Congress finds that the production of excessive supplies of wheat and other grains depresses the prices and income of farm families, constitutes improper land use, and is wasteful of our natural resources. It is hereby declared to be the policy of the Congress and the purpose of this “Cropland Adjustment Act of 1961” to bring the supplies of wheat and other grains in line with current demand so that the surplus of these commodities can be reduced; farm prices and per family farm income increased; and the tax cost of farm programs decreased. To effectuate the policy of Congress and the purpose of

this Act, programs are herein established to assist farmers to divert a portion of their cropland from the production of excessive supplies of wheat and other grains, and to carry out a program of soil, forest, and wildlife conservation.

TITLE I. LAND RETIREMENT AND SOIL CONSERVATION

ANNUAL DETERMINATION—ELIGIBILITY FOR PRICE SUPPORT—PARTICIPATION IN PROGRAM—RENTAL PAYMENTS IN CASH OR KIND

SEC. 101. Beginning with the 1962 crop year the Secretary of Agriculture is authorized and directed to establish and carry out a cropland adjustment program. In formulating and administering such program the Secretary shall—

(a) Not later than February 1 of each year make and announce an annual determination of—

(1) the total cropland to be devoted to the production of crops in the United States in that year; and

(2) the total creage of wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flax necessary to bring the total estimated annual production plus the anticipated release from Commodity Credit Corporation stocks into balance with the estimated annual disappearance of such commodities; and

(3) a uniform percentage of the National, State, county, and farm cropland necessary to be retired and devoted to soil conserving uses in order to bring the total estimated annual production plus the anticipated release from Commodity Credit Corporation stocks of wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flax into balance with the estimated annual disappearance of such commodities.

(b) Notwithstanding any other provision of law make available through loans and purchases price support on wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flax to only those producers who voluntarily comply with the cropland adjustment program and retire and devote to soil conserving uses that percentage of their farm cropland determined by the Secretary pursuant to subsection (a)(3) of this section. Any cropland retired in compliance with the conservation reserve program established pursuant to subtitle B of the Soil Bank Act, as amended (70 Stat. 188; 7 U.S.C. 1801, et seq), shall be deemed to be retired and devoted to soil conserving uses for the purposes of establishing eligibility for price support on wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flax. Any cropland retired and devoted to soil conserving uses under the cropland adjustment program established pursuant to this title shall in subsequent years be deemed to have been planted cropland for the purpose of establishing cropland history and eligibility for price support on wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flax.

(c) Be authorized to enter into contracts for periods of from three to fifteen years with producers determined by him to have control for the contract period of the farms covered by the contract if such producers agree to retire and devote to soil conserving uses any or all farm cropland in excess of that required to be retired and devoted to soil conserving uses in order for such producers to be eligible for price support on wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flax. The Secretary shall encourage the retirement and conservation of whole farms and shall provide full opportunity for producers of all commodities to voluntarily participate in the cropland adjustment program: *Provided*, That the Secretary may place a maximum limitation on the percentage of total cropland which may be retired and devoted to soil conserving uses if he finds that the cropland adjustment program is having an unduly disruptive effect on the economies of counties and local communities.

The Secretary is also authorized to enter into annual cropland adjustment contracts with producers determined by him to have control for the contract period of the farms covered by the contract if such producers agree to retire and devote to soil conserving uses that percentage of their cropland required to be retired and devoted to soil conserving uses in order for such producers to be eligible for price support on wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flax.

(d) Make an annual rental payment, either in cash or in kind, to producers who (1) retire and devote to soil conserving uses with proper management that percentage of cropland determined by the Secretary pursuant to subsection (c) of this section, and (2) otherwise comply with the cropland adjustment program as set forth in this title. The Secretary shall set the rate of rental payments at

such a level as he determines will provide producers with a fair and reasonable annual return on the land retired and devoted to soil conserving uses after taking into consideration (1) the incentive necessary to achieve voluntary participation in the program and to improve farm income; (2) the loss of crop production on the retired acres; (3) any savings in cost which result from not planting crops; (4) the estimated profit margin of crop production on the designated acres; (5) continuing farm overhead expenses; (6) the cost of establishing a conservation practice on the retired acres; (7) the value of the land for production of commodities customarily grown on such kind of land in the county or area; (8) the prevailing rates for cash rentals for similar land in the county or area; (9) drought, flood, or other abnormal conditions; and (10) other relevant factors.

The rate or rates may be determined on an individual farm basis, a county or State basis, or such basis as the Secretary determines will facilitate the practical administration of the program. In determining the lands in any area to be covered by contracts entered into under this title, the Secretary may use advertising and bid procedure if he determines that such action will aid the administration of the cropland adjustment program.

On annual contracts the Secretary shall provide for such additional incentive as he deems necessary to encourage producers to retire and to devote to soil conserving uses for more than one year, the identical cropland which was originally retired and devoted to soil conserving uses as a requirement for eligibility for price supports.

Producers shall be compensated for participating in the cropland adjustment program through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem in accordance with regulations prescribed by the Secretary (1) in cash upon presentation by the producer or by any holder in due course, or (2) in wheat, corn, oats, rye, barley, or grain sorghum upon presentation by the producer or by any holder in due course. The Secretary may provide for an additional incentive, not to exceed ten per centum of the cash payment rate, for producers who accept certificates redeemable in kind. The Secretary shall limit the distribution of the certificates redeemable in kind if he finds the issuance of such certificates has an adverse effect on wheat, corn, oats, rye, barley, or grain sorghum market prices or upon livestock marketing or livestock market prices. The Secretary shall discontinue the issuance of the certificates redeemable in kind when Commodity Credit Corporation stocks of wheat, corn, oats, rye, barley, or grain sorghum have reached a "normal" level as defined by law. Commodities delivered to producers in redemption of payment in kind certificates shall not be eligible for price support. In order to assist producers in the establishment of soil conserving uses on cropland retired under the cropland adjustment program, the Secretary shall coordinate such program with the agricultural conservation program established pursuant to the Soil Conservation and Domestic Allotment Act, as amended (49 Stat. 163, 16 U.S.C. 590 et seq.).

TERMS AND CONDITIONS OF CONTRACTS WITH PRODUCERS

SEC. 102. (a) Under any cropland adjustment contract the producer shall agree—

(1) to establish and maintain with proper management for the contract period protective vegetative cover (including but not limited to grass and trees), water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses on a specifically designated acreage of land on the farm regularly used in the production of crops (including crops, such as tame hay, alfalfa, and clovers, which do not require annual tillage);

(2) to allow to remain fallow and idle, throughout the contract period, an acreage of the remaining land on the farm which is not less than the acreage normally allowed to remain fallow and idle on such remaining acreage;

(3) not to harvest any crop from the acreage established in protective vegetative cover, excepting timber (in accordance with sound forestry management) and wildlife or other natural prod-

ucts of such acreage which do not increase supplies of feed for domestic animals;

(4) not to graze any acreage established in protective vegetative cover;

(5) not to adopt any practice, or divert lands on the farm from conservation, woods, grazing, or other non-crop land use, to any use specified by the Secretary in the contract as a practice or use which would tend to defeat the purposes of the contract; and

(6) to such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of this title and to facilitate the practical administration of the cropland adjustment program, including provisions relating to control of noxious weeds.

(b) In the event that the Secretary determines that there has been a violation of the contract (including the prohibition of grazing on retired acreage) at any stage during the time such producer has control of the farm and that such violation is of such a substantial nature as to warrant termination of the contract, to forfeit all rights to payments or grants under the contract, and to refund to the United States all payments and grants received by him thereunder, including eligibility for price support on wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flax. In the event that the Secretary determines that there has been a violation of the contract but that such violation is of such a nature as not to warrant termination of the contract, to accept such payment adjustments, forfeit such benefits, and make such refunds to the United States of payments and benefits received by him, under the contract, as the Secretary may determine to be appropriate.

SEC. 103. The Soil Bank Act, as amended (70 Stat. 188; 7 U.S.C. 1801 et seq.), is amended as follows:

ADMINISTRATIVE AND JUDICIAL REMEDY

(1) The first sentence of section 107(d) of such Act (7 U.S.C. 1831(d)) is amended by adding after the words "paragraph (6) of subsection (a)" the phrase "or under section 102(b) of the Cropland Adjustment Act of 1961".

EFFECT ON OTHER PROGRAMS

(2) Section 112 of such Act (7 U.S.C. 1836) is amended by adding after the words "under this subtitle" each time it appears therein the phrase "or under title I of the Cropland Adjustment Act of 1961".

GEOGRAPHIC APPLICABILITY

(3) Section 113 of such Act (7 U.S.C. 1837) is amended by adding after the words "subtitle B" the phrase "and title I of the Cropland Adjustment Act of 1961".

REAPPORTIONMENT PROHIBITED

(4) Section 115 of such Act (7 U.S.C. 1803) is amended by adding after the words "conservation reserve programs" the phrase "or the cropland adjustment program established pursuant to title I of the Cropland Adjustment Act of 1961".

UTILIZATION OF LOCAL AND STATE COMMITTEES

(5) Section 117 of such Act (7 U.S.C. 1805) is amended by adding after the words "this title" the phrase "or title I of the Cropland Adjustment Act of 1961".

UTILIZATION OF OTHER AGENCIES

(6) Section 118 of such Act (7 U.S.C. 1806) is amended by adding after the words "this title" the phrase "or title I of the Cropland Adjustment Act of 1961".

UTILIZATION OF LAND USE CAPABILITY DATA

(7) Section 119 of such Act (7 U.S.C. 1807) is amended by adding after the words "this title" the phrase "or title I of the Cropland Adjustment Act of 1961".

FINALITY OF DETERMINATION

(8) Section 121 of such Act (7 U.S.C. 1809) is amended by adding after the words "this title" the phrase "or under title I of the Cropland Adjustment Act of 1961".

PROTECTION OF TENANTS AND SHARECROPPERS

(9) Section 122 of such Act (7 U.S.C. 1810) is amended by adding after the words "this title" the phrase "or under title I of the Cropland Adjustment Act of 1961".

PENALTY FOR GRAZING OR HARVESTING

(10) Section 123 of such Act (7 U.S.C. 1811) is amended by adding after the words "section 103 or 107" the phrase "or under title I of the Cropland Adjustment Act of 1961".

POOLING OF CROPLAND ADJUSTMENT LAND

(11) Section 126 of such Act (7 U.S.C. 1814) is amended by adding after the words "conservation reserve program" the phrase "or in the cropland adjustment program established pursuant to title I of the Cropland Adjustment Act of 1961".

INCORRECT INFORMATION FURNISHED BY THE GOVERNMENT—MARRIAGE OF PRODUCERS

(12) Section 128 of such Act (7 U.S.C. 1816) is amended by adding after the words "conservation reserve program" the phrase "or the cropland adjustment program established pursuant to title I of the Cropland Adjustment Act of 1961".

AUTHORIZED PERIOD OF CONTRACT AND EXPENDITURE—APPROPRIATIONS

SEC. 104. (a) The Secretary is authorized to formulate and announce programs under this title and to enter into contracts thereunder with producers during the three year period 1962-1964 to be carried out during the period ending not later than December 31, 1973, except that contracts for establishment of tree cover may continue until December 31, 1978.

(b) The period covered by any contract shall not exceed ten years except that contracts for the establishment of tree cover may extend for fifteen years.

(c) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this title, including such amounts as may be required to reimburse the Commodity Credit Corporation for its actual costs incurred under the payment in kind program established by this title.

TERMINATION AND MODIFICATION OF CONTRACTS

SEC. 105. The Secretary may terminate any contract with a producer by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest. The Secretary may agree to such modification of contracts previously entered into as he may determine to be desirable to carry out the purposes of this title and to facilitate the practical administration of the cropland adjustment program.

REGULATIONS

SEC. 106. The Secretary shall prescribe such regulations as he determines necessary to carry out the provisions of this title.

TITLE II. REPEAL OF ACREAGE ALLOTMENTS AND MARKETING QUOTAS ON WHEAT—PRICE SUPPORTS ON WHEAT, CORN, OATS, RYE, BARLEY, AND GRAIN SORGHUM

REPEAL OF ACREAGE ALLOTMENTS AND MARKETING QUOTAS ON WHEAT

SEC. 201. The Agricultural Adjustment Act of 1938, as amended (52 Stat. 31; 7 U.S.C. 1281 et seq), is amended by adding the following new section after section 338:

"SEC. 339. Notwithstanding any other provision of law, acreage allotments and marketing quotas shall not be established for the 1962 and subsequent crops of wheat."

PRICE SUPPORT ON OATS, RYE, BARLEY, AND GRAIN SORGHUM

SEC. 202. Section 105(b) of the Agricultural Act of 1949, as amended (7 U.S.C. 1441 note), is hereby repealed.

PRICE SUPPORT ON WHEAT, OATS, RYE, BARLEY, AND GRAIN SORGHUM

SEC. 203. Title I of the Agricultural Act of 1949, as amended, is further amended by adding at the end thereof the following new section:

"SEC. 107. Notwithstanding sections 101 and 301 of this Act, the level of price support for the 1962 and subsequent crops of wheat, oats, rye, barley, and grain sorghum shall be based on the support level for corn for the same crop year, with reasonable adjustments, as determined by the Secretary, for differences in weight, nutritive value, and buyer preference, with the objective of restoring the pricing of such commodities to market conditions as rapidly as possible: *Provided*, That the support price for wheat of the 1962 crop shall not be less than 120 per centum of the support price for corn of the 1962 crop."

TITLE III—GENERAL PROVISIONS

FEDERAL IRRIGATION, DRAINAGE, AND FLOOD CONTROL PROJECTS

SEC. 301. Section 211 of the Agricultural Act of 1956, as amended (7 U.S.C. 1860), is amended (1) by striking "three years" each time it appears therein and inserting in lieu thereof "nine years", and (2) by adding after the words "soil-bank provisions of this act" in subsection (b) the phrase "and under title I of the Cropland Adjustment Act of 1961".

RESTRICTIONS ON SALES BY THE COMMODITY CREDIT CORPORATION

SEC. 302. Section 407 of the Agricultural Act of 1949, as amended (7 U.S.C. 1427), is amended by adding at the end of the third sentence the following: "*Provided further*, That effective July 1, 1962, and until Commodity Credit Corporation stocks of wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flax have reached a "normal" level as defined by law, the Corporation shall not make any net sales of such commodities for domestic use at less than 125 per centum of the current support price for such commodities, plus reasonable carrying charges."

PURPOSE AND EXPLANATION OF THE PROPOSED CROPLAND ADJUSTMENT ACT OF 1961

PURPOSE OF THE BILL

The purpose of the bill is to bring the supplies of wheat and other grains in line with current demand so that the surplus of these commodities can be reduced; farm prices and per family income increased; and the tax cost of farm programs decreased.

EXPLANATION OF THE BILL

(1) The Secretary of Agriculture shall determine annually the overall acreage adjustment of feed grains, wheat, soybeans, and flax necessary to bring the total estimated annual production plus the anticipated release from Commodity Credit Corporation stocks in line with anticipated disappearance. The Secretary shall also establish annually the percentage of cropland which must be placed under contract to qualify for price support on these commodities.

(2) To be eligible for price supports on wheat, feed grains, soybeans, and flax, producers must participate in the cropland adjustment program. Cropland already in a retirement program shall be counted in determining compliance with this requirement. Producers of other commodities may also participate. (Whole farm participation should be encouraged.) Any cropland retired under the program in excess of the minimum requirement for price support must be placed under contract for at least 3 years.

(3) Cropland adjustment payments shall be made at a level which will encourage sufficient voluntary participation to attain the desired adjustment.

(4) Adjustment payments may be made in cash or in kind. Emphasis should be placed on payment in kind, with care to minimize disturbance of the market price structure for grain.

(5) Cropland retired under this program must be in addition to land normally left idle or fallowed.

(6) Acreage retired under the program may not be harvested or grazed.

(7) A maximum limit shall be placed on the percentage of cropland acreage that may be retired in any county after allowing for the minimum acreage required for price support. Acreage retired under previous programs shall not prevent participation in the annual adjustment programs.

(8) Wheat acreage allotments shall be terminated.

(9) The price support level on corn shall be left unchanged and related to the average price received by farmers during the immediately preceding 3 years with a floor of 65 percent of parity, the same as the Agricultural Act of 1958. The support levels for other feed grains and wheat shall be comparable to the level for corn with adjustments for differences in weight, nutritive value, buyer preference, and supply-demand conditions. The support price for wheat of the 1962 crop shall not be less than 120 percent of the support price for corn of the 1962 crop.

(10) Adequate measures shall be taken to protect farmers from the competition of Commodity Credit Corporation sales from accumulated stocks.

The cropland adjustment program outlined above proposes to remove a basic cause of continuing low farm income by starting an immediate reduction of the agricultural productive plant to a size which will better fit farm output to market needs and open the way to orderly liquidation of accumulated Government stocks. It provides for voluntary participation by producers of all crops but requires producers who wish to qualify for price support on wheat, feed grains, soybeans, and flax to participate. Greatest emphasis is placed on the retirement of land from wheat and feed grains as these crops are in most serious surplus difficulty.

The attached table shows approximately cropland acreage nationally, how the acreage is currently being used, and what the status of land devoted to specified crops would be under the proposed adjustment program.

U.S. cropland acreage by principal uses

	<i>Planted acreage (thousands)</i>
Group A (to be supported without acreage controls) : ^{1 2}	
Corn-----all-----	82, 906
Wheat-----do ³ -----	55, 633
Oats, barley, rye-----	52, 177
Sorghum-----for grain-----	15, 444
Soybeans-----for beans-----	23, 516
Flax-----all-----	3, 527
Subtotal, group A-----	233, 203
Group B (to be supported with acreage controls) : ^{1 4}	
Cotton-----	16, 068
Rice-----	1, 614
Peanuts-----	1, 579
Tobacco-----	1, 144
Subtotal, group B-----	20, 405
Group C. Other crops and uses : ⁵	
Conservation reserve-----	⁶ 28, 432
Hay, cropland pasture, other crops, fallow, idle, failure, etc-----	177, 609
Total cropland, all uses ⁵ -----	450, 649

¹ Planted acreage for 1960 as reported by USDA.

² Producers of these commodities desiring price support must participate in the proposed cropland adjustment program.

³ Currently supported and controlled, but controls to be terminated under Farm Bureau proposal.

⁴ Participation in the proposed cropland adjustment program is not required for price support on these commodities.

⁵ 1954 U.S. Census of Agriculture—data now used by USDA in land retirement computations. New census data to be available in about 6 months.

⁶ Under contract in 1960.

Under the proposed bill all land listed in the table under groups A, B, and C—except for an amount in group C equal to that which is customarily summer fallowed or left idle—would be eligible for the land retirement program on a voluntary basis.

Mr. SHUMAN. I would want to compliment the Secretary of Agriculture for his presentation. I think particularly I would like to compliment him on coming here, not with all the specifics of a legislative act spelled out, because it is the responsibility of the Congress to write legislation.

However, I think it is quite apparent from the confused situation prevailing during the testimony this morning that the proposal is an ill-considered proposal; it is a "pig in a poke"—a blank check—as it stands now.

I disagree with the statement that we have an emergency situation as far as feed grains. It is not good, but it is not an emergency in my definition of emergency, and it is not a crisis.

I would point out to the committee that the Department's estimates on increase in feed grain production for 1961 have, as best I can find out, ignored completely the tremendous impact of the market price increase of soybeans which will result in a sizable transfer of feed grain acreage to soybeans, and they are grossly underestimating the cost of this program as you, Mr. Chairman, I think, indicated very well.

It nullifies section 407 of the act of 1948, the principle of which was to permit farmers to get the benefit in market price if the action of Congress resulted in the market price going up, and this, of course, is a very serious change.

There would be pressure for all feed grains to go to the Government as a market under this proposal with feed grains selling in the market below the support level; I think some of the members of the committee commenced to point this out.

This has been one of the features of the past that we have been hard-pressed to defend where feeders—and, by the way, 75 or more percent of the feed grain is consumed on the farm or in the immediate area—have turned their corn or feed grain over to the Government and then went right back and bought their feed needs on the open market at a reduced price.

So this would make almost mandatory that a hundred percent of the feed grain producers in the United States would engage in this very trick, and you cannot—you absolutely cannot—defend this kind of a procedure before the public or before farmers themselves.

Well, I do not know how to make it any stronger except to say that it seems to me that this proposal is ill-considered; it is a foot in the door approach which will move toward greater Government interference in the market price system.

It is certainly the first time that anybody has seriously proposed that the Government surplus stocks be used as a manipulating device to manipulate the market up and down. From what some of my friends in Congress have said, and the experience they have had—and I do not think that the Government bureaus would have any better—this business of trying to buck the board of trade will not likely be a very happy experience.

I do not think this is a very desirable kind of operation to put the Government into.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Well now, Mr. Shuman, since you do not think there is a need for such legislation this year, I presume that the program that you are suggesting is a long-range one and could not be made effective this year; am I right?

Mr. SHUMAN. You are correct, except for wheat—i.e. fall planted grains.

The CHAIRMAN. I understand we are talking about corn and feed grains.

Mr. SHUMAN. The planting season is already on us; this proposed bill is too dangerous; the agricultural situation is too complicated; the risk of the kind of an experiment that is proposed here is too great to justify action on this 1-year proposal.

The CHAIRMAN. Are there any further questions?

Senator PROXMIRE. Yes. May I ask a question of Mr. Shuman?

The CHAIRMAN. Mr. Shuman has to make a train; you have a little more time, Mr. Shuman?

Mr. SHUMAN. Yes.

The CHAIRMAN. But I would suggest that this afternoon when we meet, that some of your experts come here to answer questions if necessary.

Mr. SHUMAN. I would be very glad to.

Senator PROXMIRE. That would be very satisfactory to me.

Mr. SHUMAN. We will be very happy to have Mr. Fleming, Mr. McLain, and Mr. Lynn available.

The CHAIRMAN. Senator, would you like to ask any questions?

Senator PROXMIRE. I understand that; I will defer.

The CHAIRMAN. Will you return, Mr. Fleming, Mr. McLain, and Mr. Lynn? There is an expert in agriculture here who used to be with us.

Senator HICKENLOOPER. There are a number of questions I have to ask, but I will defer to later.

The CHAIRMAN. Now, as we know, Mr. Shuman testified with the understanding that if any Senators desired to ask questions, that we have before us three other gentlemen who represent the Farm Bureau Federation.

Will you step forward. If there are any questions to be asked or do you wish to add to what Mr. Shuman has stated, and if so proceed. Identify yourself for the record.

STATEMENT OF ROGER FLEMING, SECRETARY-TREASURER AND DIRECTOR, WASHINGTON OFFICE, AMERICAN FARM BUREAU FEDERATION

Mr. FLEMING. Chairman Ellender, I am Roger Fleming, secretary-treasurer and director of the Washington office, American Farm Bureau.

Mr. Chairman, I should merely like to underline a point which Mr. Shuman made earlier—and which has been discussed some during the day—and that is that the proposed revision which was offered this morning by Secretary Freeman does not prevent the Secretary from being authorized to dump onto the market substantial quantities of corn and other feed grains at almost any price level.

It admittedly reduces the carte blanche authority to dump CCC stocks at any price; but, it still would permit the “payments-in-kind” for the second 20 percent reduction to go on the market at the market price, and to the extent that the program cost more than the \$500 million for the first 20 percent—and it is our belief it would be substantially above \$500 million—the money to finance such an increased increment could be obtained by dumping stocks on the market at any price.

The CHAIRMAN. Mr. Fleming, is it your view that the Secretary would have the right under this new amendment he proposed to dump corn on the market that has no relation to the payment-in-kind?

Mr. FLEMING. To finance any costs above \$500 million for the first 20-percent reduction in acreage in order to comply for price support.

The CHAIRMAN. That is only to take—it is only to be exercised for payments-in-kind.

Mr. FLEMING. But it is to be exercised not only with regard to all the financing of the second 20 percent but any cost of the first 20-percent reduction over and above the \$500 million. This would give him all the leeway he would need to achieve the fundamental purpose

of this bill, as stated in his memo to President Kennedy, and this is the key element in the proposal. I am quoting now:

The knowledge that these stocks could be placed on the market would encourage producers to participate in the program rather than gamble on market prices.

The CHAIRMAN. But what I have in mind it is all connected with payments-in-kind.

Mr. FLEMING. Yes.

The CHAIRMAN. He could not go beyond that.

Mr. FLEMING. That is correct.

The CHAIRMAN. Right; that is what I wanted to know.

Mr. FLEMING. But, in terms of its impact on the market——

Senator HICKENLOOPER. That is not what you said. You said it finances the payment-in-kind portion of it, the second 20 percent, and also it finances the overplus cost over and above \$500 million on the first 20 percent.

Mr. FLEMING. Correct.

Senator HICKENLOOPER. I want to get that right.

Mr. FLEMING. Right, so that actually both Senator Ellender and I are correct in our interpretations.

Now, with regard to this section 407 of the present law, Senator. This is a fundamental section of the present law so far as we are concerned.

Mr. Chairman, you, Senator Aiken, and others helped sweat over it in 1947, 1948, and 1949 when we developed the basic principles of the present farm programs. The basic concept was that the price support was to be a floor, and that we would have a CCC release price some place above that, taking into account allowances for certain carrying charges and other factors. The objective was to have the market operate—and the interplay of market forces function—above the support-price floor.

Now, the basic theory of this proposal is dramatically different. It is an entirely new concept, as Mr. Shuman said in his statement.

The concept of the proposed 1-year program is to establish a price-support figure and then permit the Secretary of Agriculture to manipulate the release of CCC stocks to force a farmer to come into compliance rather than to “gamble on market prices.”

Senator HICKENLOOPER. You take the position then that the support price becomes the ceiling under this program, is that correct?

Mr. FLEMING. Mr. Shuman referred to it as a 1961 version of price control.

Senator PROXMIRE. Could I ask a question?

The CHAIRMAN. Surely. Were you through?

Mr. FLEMING. Yes, thank you, sir.

Senator PROXMIRE. Would you agree that this program would increase farm income, I mean this year?

Mr. FLEMING. I do not have any reason to depend on this being the case.

Senator PROXMIRE. Do you have any reason to suspect it would not?

Mr. FLEMING. Yes, I have listened carefully today to the discussions here, and the only expression that is meaningful to me to describe it is that it is like dealing with mirrors. The figures jump around—in terms of costs, in terms of estimates, in terms of intent.

I do not know for certain that it would not increase—but I want to say that I have no basis to be confident that it would.

Senator PROXMIRE. Well, why would it not increase farm income in view of the fact that the price supports are increased, and that you have this kind of a payment-in-kind, and so forth? What is wrong with the calculation in the chart that was presented by the Secretary? I am sure you have had a chance to see it.

Mr. FLEMING. First of all, I want to check into this more. There have been revelations made here today with regard to how the estimated cost of the present program was figured, including especially the response to Senator Ellender's question.

Senator PROXMIRE. I want to come to that in a minute.

Mr. FLEMING. There are other elements I want to check into. I have had a little experience with statistics. I was at one time trained in the subject, and I want to know what goes into them before I accept them, and I would want anybody to do the same with regard to my figures.

Senator PROXMIRE. But you do not have any specific holes to punch in this theory at the moment—

Mr. FLEMING. Well, I have—

Senator PROXMIRE (continuing). That farm income would go up? There are other weaknesses, I know you have expressed your thoughts about.

Mr. FLEMING. From the standpoint of soybean producers, prices would go down because the effect of this program is to set in motion forces to bring about a surplus and depress the market down.

The CHAIRMAN. The soybean proposal is not included in this bill, and the Secretary could exercise that right whether we pass this bill or not.

Mr. FLEMING. I agree.

The CHAIRMAN. I believe it ought to be out of the picture because we are simply considering the bill before us.

Senator HICKENLOOPER. May I simply interject there, Mr. Chairman, I do not know that I agree, Mr. Chairman, that it is out of the picture in the light of the Secretary's own statement that this program would take out X million acres, and that, by raising the price or the support on soybeans \$2.45 it would induce—

The CHAIRMAN. \$2.30.

Mr. FLEMING. 45 cents above the present support.

Senator HICKENLOOPER. \$2.30, that it would induce the planting of more soybean acreage, so I think he clearly announced that as a program.

The CHAIRMAN. He would.

Senator HICKENLOOPER. While it is not in this bill, of course, I agree it is not in there, I think it is an announced element in this program, and that is why I have been discussing it, because of his statement, and his statement that that is what he is going to do or proposes to do.

The CHAIRMAN. I believe he so stated that when the message came from the President; and I agree with you that it is to be read in connection with the bill, the President's message, and all of it.

Senator HICKENLOOPER. That is my point. It is involved in this.

The CHAIRMAN. Proceed.

Senator PROXMIRE. I would like to ask Mr. Fleming, is it not the conclusion of the Farm Bureau that this would reduce Government stocks that would otherwise be in hand if this program is not put into effect or is the conclusion that it would increase the Government stocks?

Mr. FLEMING. Mr. Shuman testified that it was likely that the reduction would be very small, if any, and it is possible that production would be increased.

Senator PROXMIRE. If you have compliance, any compliance, how could there possibly be an increase?

Mr. FLEMING. Well, No. 1, you will have the additional application of fertilizer and other production-stimulating practices. I would like to observe that anybody who thinks we are operating at the limit with regard to the application of fertilizer has not checked into the statistics lately.

I doubt if Mr. Heinkel has told the fertilizer department in his cooperative that there will be no increase in fertilizer sales if this passes; I doubt that.

There is a dramatic possibility of increased yields.

Senator PROXMIRE. Yes. But what does this really amount to in terms of what you would be likely to get anyway? We have had an increase in fertilizer even when prices dropped.

Mr. FLEMING. First of all, you would have a substantial outlay of Government funds to finance increased fertilizer application.

Senator PROXMIRE. I am talking about if you can give us some kind of a guess of a percentage increase that you would get in yield.

Mr. FLEMING. I do not know for sure. It could be somewhere between 5 and 10 percent; it is not impossible.

Senator PROXMIRE. You are getting 20 percent—well, if you get 70 percent compliance and you get 20 percent taken out for the complier, you would still get a reduction.

Mr. FLEMING. Then they would use more intensively the land not diverted, and apply fertilizer and supplemental water to the full acreage of the noncooperators, and then you would bring into production land currently not in production that Senator Holland has referred to, and then farmers would plow up rotation pastures in the Corn Belt to take advantage of a \$2.30 guarantee on soybeans. The elements involved in this are not easy to calibrate, but they are very substantial.

Senator PROXMIRE. Well, let me go to something else. I will come back to that in just a minute.

Now, the last point made by the Secretary is the new program would reduce Government costs, and we have had the chamber of commerce's impression and statements on that.

It seems to me that, if we can make any case at all for reducing the amount that would otherwise be in Government stocks, the case is pretty strong that this would be likely to have a favorable effect on Government costs, unless you can give us a very precise and specific indication of where the costs would increase. This bill would seem to reduce Government spending and benefit the taxpayer.

Mr. FLEMING. Well, first of all, there are built into this proposal substantial cost elements not revealed in these figures, some of which have been developed here today. I would say this, Senator: that, in

order for action like that proposed in this bill to be justified, we ought to have dependable evidence that it is going to do more good than harm.

It is our judgment that it will do more harm than good for several reasons: First of all, for the reasons stated in President Shuman's testimony; secondly, a point not fully developed here today is the complications that action on this bill may add to the development of a really effective program for wheat and feed grains. We need to get it evolved through the legislative process this year.

The CHAIRMAN. You mean long term?

Mr. FLEMING. Yes. Actually, it is our recommendation, Senator, that we ought to start to work right now to try to develop an effective wheat and feed grain program to be effective with the fall planted crops this year.

Senator PROXMIRE. Is it not true that this committee will have to do it anyway; and, if this bill passes, it is only a 1-year bill, and we will have to go to work.

Mr. FLEMING. I am talking about the delay to getting that program adopted that the consideration of this bill entails. We have a May 15 deadline so far as wheat is concerned.

Senator PROXMIRE. I presume this is almost the conclusion of these hearings. The House is through and has reported their bill or at least has taken a position on it. Unless we act in a week or two, everybody agrees that this program will be worthless, so I cannot see why this bill would necessarily delay legislative action on a permanent program.

Mr. FLEMING. The actual process of considering it, in our opinion, will delay action on a workable cropland adjustment program.

Secondly, we have grave concern that this will turn out to be such a boondoggle that it will jeopardize our ability to get from this Congress constructive action with regard to the farm program.

Senator PROXMIRE. There is just one other area: Your position on soybeans is very emphatic, and I think it is very eloquently argued, in broad generalization with no specifics but it seems to me that the Secretary of Agriculture made a very good case this morning when he was definite and specific on this subject. No. 1, he said that we only have 2 weeks' supply of soybeans in storage; No. 2, he said the price had already soared up to \$2.45; No. 3, he said the food for peace program indicates there is going to be a very big increase in the use of soybeans.

There is a great deal of concern as to whether or not we will have an adequate supply. It is true, as Senator Hickenlooper has pointed out very well today, that this recent price increase might be a very useful thing to the soybean producer. It means that his prices will rise; it mean that perhaps there will be naturally more going into the production of soybeans in the future, but this is an immediate 1-year problem, and the great virtue of this proposal, as I see it, is this, that the bill would only be in effect for a single year.

Now, in view of the fact that we need more soybeans and we need less corn, why doesn't it make sense to try to divert acreage from corn into soybeans for this year. Furthermore, can you knock down any of the specific figures that the Secretary of Agriculture gave us this morning, which do seem, in my judgment, at least, to have some bear-

ing on the situation? I have not so far seen them disputed or argued about.

Mr. FLEMING. The operation in the market—without this temporary legislation—will function and do a part of what you say is needed.

The incentive provided by the current market price for soybeans will induce farmers to grow more soybeans than otherwise. So, from the standpoint of price relationship difference between corn and soybeans, the incentive is there right now. We do not need any hastily drawn program to create that incentive. It is there in Wisconsin, Michigan, Louisiana, Florida, and the other States represented here. So we do not need this kind of a program to solve that kind of a problem.

Also there are the points that Senator Hickenlooper made earlier today, which are very valid.

The CHAIRMAN. I wonder if we are to grow excess food in order to carry on this program of food for peace? I understood this food for peace was to help us to dispose of our surpluses.

Now, if we have got to embark on a program to grow surpluses to feed abroad, why, I do not understand it that way, and I hope we never will go into it.

Senator PROXMIRE. If the chairman would permit, it seems to me that the overall program is not to increase the amount of food produced, but simply to shift, at least temporarily, some of the corn acreage into soybean acreage. There would not be a net overall gross increase in food production from this program.

The CHAIRMAN. But this oil that you speak of, and that will be produced from the soybeans to be planted in lieu of corn, will be used, as the Secretary said, for the food for peace program, and that, in my opinion, is more or less a gift program, that is what it amounts to. It certainly is not the intent to make any money or anything like that. We carry the burden of all of that, as I understand it.

Senator PROXMIRE. Let me just say whether we approve the program or not, it seems to me the food-for-peace program seems to have a great deal of support, is very likely to be enacted, to be increased, and I think this is something the committee might observe and might take into consideration in adjusting the corn-soybean situation.

Mr. FLEMING. Mr. Chairman, if we were to operate our price support programs for the primary purpose of providing surpluses to export, it would be almost as much of a change in the fundamental concept of our price support programs as changing section 407 to make the support price a ceiling instead of a floor—all of which is involved in this discussion here today.

The CHAIRMAN. Anything else you want to add?

Senator HICKENLOOPER. May I just ask one more question because I think this is, it seems to me, fundamental, and getting back to this soybean situation which is very important.

Here we have a program in soybeans that is not a program. The soybeans are carrying themselves on the free market. It is a free enterprise operation. They are not only paying their way, but they are above any support prices that we fixed.

For the life of me I cannot see why we want to monkey with it with the injection of bureaucracy into that program, because I

thought the purpose of the farm programs was the hope that we could eventually get farm commodities moving in a free market, moving at a satisfactory price in a free market, without bureaucracy, without controls.

Mr. FLEMING. Mr. Chairman, might I make one other point—purely for the record. This question of carte blanche delegation of authority to the secretary to establish support levels, rates, and that sort of thing, has been a question before this body for many years, of course.

You will recall that when that question arose in regard to proposals made by the previous administration, we objected vigorously to it. We said then that we objected to that kind of delegation of authority to any Secretary of Agriculture. We are of the same opinion still; ours ought to be a government of laws rather than of men.

The CHAIRMAN. Well, are there any further questions?

Senator HOLLAND. Mr. Chairman, may I ask a question?

The CHAIRMAN. I thought you were through, sir.

Senator HOLLAND. Mr. Fleming, you have heard during my references today to the corn support price programs for 1954, 1955, 1956, and 1957. I note that the compilations to which I referred in the hearings of 1958 were put in the record by you, by chance, and that compilation shows that only 30 percent by acreage of the corn producers complied with the program in 1954, 30 percent of those in the then called commercial area, and the price support then was \$1.62.

So on down through the year it shows the next year, 40 percent complied; the third year 28 percent complied; and in the last year, which was 1957, 14 percent complied.

In each year the support price was sizably larger than what is suggested here, going from \$1.62 down to \$1.40 over the period of 4 years.

Do you think the attitude of the corn producers has so changed that anything like unanimous compliance with this program, if it were enacted, could be expected?

Mr. FLEMING. Senator, if you could tell me how vigorously the Secretary of Agriculture would use—or threaten to use—the authority to release CCC stocks at market prices as requested in this bill, either originally or as amended, I could answer your question.

If he were to go out and say to the corn producers, "If you don't come into compliance I am going to use the CCC stocks to cause you to wish you hadn't gambled on market prices," you might get most of the corn to go into Commodity Credit and then back out again to grain feeders at the depressed market prices.

Senator HOLLAND. Even if the lowest figure that he could sell at from CCC stocks was \$1.05?

Mr. FLEMING. Senator Holland, earlier in my discussion, I dwelt on the fact that this proposed revision does not prevent the sale below \$1.06.

As a matter of fact, it still would provide substantial authority for the Secretary of Agriculture to dump these stocks on the market below \$1.06, enough to depress the market prices substantially below that figure. The proposed revision does not provide a floor.

Senator HOLLAND. Well, suppose the matter were reworded so as to comply with what was undoubtedly the understanding of the Sec-

retary this morning when he testified that that was a floor, as he called it, of \$1.05; do you think that that floor is low enough to furnish much of a threat to be used in the hands of the Secretary of Agriculture along the lines that you have just suggested?

Mr. FLEMING. I believe the record will show that Dr. Cochrane this morning—on two or three occasions—made it clear that this revision did not provide a floor, and that there would be the authority to use payment in kind under the second 20 percent acreage cut and the payment in kind to be used to finance any amount over and above \$500 million with respect to the first 20 percent. From discussions that I have been in on with respect to this proposed program, I am confident that the authority to depress market prices has been assumed to be the thing which would cause the compliance to occur—that is, the fear that the market price was going to be wrecked. Under those circumstances, Senator, what the corn producer—especially in the livestock area—would assume that he should do in his own interest would be to comply, turn the corn over to the Government, buy it back at the cheaper rate resulting from the artificially depressed market. Under such circumstances we could have the same corn going to town at the support price and coming right back to the feedlot at a lower price.

This was a point which Mr. Shuman developed at some length with the House committee yesterday.

Senator PROXMIRE. Do you think it would be better if the compliance were secured by making the \$1.05 a mandatory floor, in other words, not permitting it to go below that, and to increase the \$1.20 to \$1.30?

Mr. FLEMING. It is our opinion that at this late date, it is not possible to write a bill, have it enacted, and put into operation in 1961 that will do more good than harm with regard to the situation.

Senator PROXMIRE. I am not asking whether you favor the bill or not. I am asking your opinion on alternatives that face this committee. Your position has been very eloquently and persuasively put on the merits or demerits of the bill. But what I am saying is if this committee decides we are going to have a bill, would you say it would be more desirable to leave the bill the way the administration has recommended it or do you think it would be better to go from \$1.20 to \$1.30, so that we could provide this \$1.05 floor to protect the compliers?

Mr. FLEMING. We are not for a crash emergency program that we think will cause more harm than good. We are for a longer range program. We have attached to our testimony on this bill a copy of our cropland adjustment program that covers both wheat and feed grains. We think that wheat and feed grains should be considered together. With respect to your specific question, in our proposal, instead of making it possible to dump the stocks below the support level, we are suggesting that the trip point, the release point, be 25 percent above the support price—not below it.

The CHAIRMAN. But you did not yet answer his question. Answer his question.

Mr. FLEMING. Since we want to put the "trip point" for releasing CCC stocks above the support price, we could not be for putting it below the support price. That is what I intended to say.

Senator PROXMIRE. So your answer to my question is which? Which would you prefer? The committee wants as much information as it can get.

The CHAIRMAN. If you had to make a choice.

Mr. FLEMING. We are not for disturbing section 407 of the present law. This requires that the commodities to be sold out of the CCC stocks, i.e., released—at not less than 105 percent of the support price, plus the carrying charges.

Senator PROXMIRE. Then the answer to the question is, No. 1, \$1.05 should be not less than that, and it should be \$1.30, so you get compliance.

Mr. FLEMING. No.

Senator PROXMIRE. \$1.20.

Mr. FLEMING. We want to see the Congress give consideration immediately, starting today, on a program for wheat and feed grains that will solve this problem, instead of just going through the motions on an ineffective emergency program.

Senator HOLLAND. I want to ask you a question.

Senator PROXMIRE. You do not care to go further than that in answering my question?

Mr. FLEMING. I believe I have presented our position.

Senator HOLLAND. I want to ask a question. It is admitted by everyone there will not be a complete signup for compliance in this thing. The Secretary has stated that he thinks between 60 and 70 percent may comply.

Do you think a 70-percent signup would permit a situation under which there would not be any increase in the surplus stocks?

Mr. FLEMING. I am not certain, Senator, what the answer is to your question. I do not want to give an answer that would appear to indicate that I thought the program would be desirable, even with a 70-percent signup.

Senator HOLLAND. Here is what I had in mind. If 70 percent or any other similar figure is arrived at by the committee as the amount that should be signed up to make this program effective, and we should decide that an amount below that would make the program noneffective or make it hurtful, what would you think of putting a condition in the bill that the program would not be effective unless a 70-percent signup was accomplished—70 percent or whatever figure was agreed upon?

Mr. FLEMING. Since we are not for passage of a 1-year emergency program, it is a little difficult to indicate the conditions under which we would be for it going into effect.

I doubt, Senator, as late as the hour is in terms of time and with the planting season upon us in the Southern States, that it would be administratively practical to make such a determination in advance.

Senator HOLLAND. Well, suppose it is agreed by everybody, and I have not heard anybody question this: First, there is not going to be a complete signup; second, that a smaller signup will be abortive and make the program undesirable.

Why would it be improper for the committee, assuming that it wants something in this field, and I am not so stating even for myself at this time, but assuming that should be our decision, why would it

be improper to state a figure that would have to sign up before it is effective?

Mr. FLEMING. If you were to require an advance indication of 70 percent compliance on the part of farmers before the program would be launched, it probably would not be launched. Apparently, the method of getting compliance would be to threaten to drive market prices down where farmers could not afford not to cooperate. And, we are not for granting any Secretary of Agriculture authority to do that.

Senator HOLLAND. The point I am making now, and I want it to be in the record, is that this bill, as drawn, would leave it wholly within the discretion of the Secretary when signup was completed, as to whether it was to the degree that he wanted so he could make the program effective.

It seems to me it is completely appropriate for the committee to express its opinion on that in the law and that would mean there would be no chance of the program being put into effect if the conditions specified by the committee were not met. That is the reason I am bringing it into the record.

Senator MUNDT. Mr. Chairman, I wonder if we could not defer our meeting this afternoon until 2:30? There is a Republican policy meeting that commences at noon. It will be difficult for us to come back at 2 o'clock.

The CHAIRMAN. If possible, I would like to get through with the hearings today.

Without objection, then, the committee will stand in recess until 2:30. Is that satisfactory to other witnesses?

Senator MUNDT. Thank you.

(Whereupon, at 12:35 p.m., the committee recessed, to reconvene, at 2:30 p.m., the same day.)

AFTERNOON SESSION

The CHAIRMAN. The committee will please come to order. Will you identify yourself for the record, Mr. Heinkel.

STATEMENT OF FRED HEINKEL, PRESIDENT, MISSOURI FARMERS ASSOCIATION, COLUMBIA, MO.

Mr. HEINKEL. My name is Fred Heinkel of Columbia, Mo.

I am president of the Missouri Farmers Association; and served as chairman of the Feed Grain Study Committee appointed by Secretary Freeman.

I have no prepared statement. I learned about these hearings sometime Monday and because of the difficulties in air transportation, I had no time to prepare a statement. My comments will be rather brief.

I would like to point out that when Governor Freeman was appointed Secretary of Agriculture, I offered him my assistance and my congratulations, if he felt that I could be of any help. So he called and asked me to serve on this Feed Grain Committee Study Committee and to act as chairman of it.

We agreed upon a date for the meeting of the committee, which was January 27. So on rather short notice 14 members of the 18 members that were appointed on the committee came in for the meeting.

We went into session about 9:30 on Friday morning, January 27, and by 10:30 Saturday morning we arrived at a report.

And sometimes it is said that farmers cannot agree, but here were 14 farmers, ranging from as far north as North Dakota and as far south as Texas, as far west as Colorado and as far east as Virginia, that unanimously voted for the conclusions of the committee.

The CHAIRMAN. Were they all in agreement?

Mr. HEINKEL. What is that?

The CHAIRMAN. Were they all in the grain business?

Mr. HEINKEL. It is my understanding that they were all grain producers.

The CHAIRMAN. It is easy to get them together, I guess, if you are all in one business.

Mr. HEINKEL. I have heard of some that did not agree, but here there were 14 that did.

The CHAIRMAN. While we are talking about it, I wonder if we could obtain for the record the names of all of these committeemen, together with their occupation, whether or not they are in the grain business, if so how—if we could get that, it would be fine.

Mr. HEINKEL. It is my understanding they are producers, but, Dr. Cochrane, could you furnish that to the committee? I have the names and addresses but there is a lot of scribbling on this sheet.

The CHAIRMAN. We can obtain that, can we not?

Mr. COCHRANE. Yes; I do not know exactly what every one did, but I think I could get that. I know I can get the list.

The CHAIRMAN. That is all right, so long as we have it in connection with Mr. Heinkel's testimony. And we will just put it in the record at this point.

Mr. HEINKEL. Fine.

(The information follows):

TASK FORCE ON FEED GRAINS

Chairman: Fred Heinkel, President, Missouri Farmers Association, Columbia, Mo.

Vice chairman: Claude Wickard, Camden, Ind.

Executive secretary: Dr. Willard W. Cochrane, Economic Adviser to the Secretary.

Members:

Ralph Cole, 1515 Washington Street, Lincoln, Nebr.

Al Diamond, Lovington, Ill.

Walter Goeppinger, Box 358, Boone, Iowa

A. Jack Hall, Windsor, Va.

D. G. Harwood, Route 3, Albermarle, N.C.

Charles Hearst, Cedar Falls, Iowa

Earl Hogan, Hope, Ind.

Hans Jensen, State Capitol, Lincoln, Nebr.

Dorsey Kirk, Master, Illinois State Grange, Oblong, Ill.

Fred Ludwig, Laurens, Iowa

Frank Nutter, Corinna, Maine

Orlando Odegard, Buxton, N. Dak.

Joe Russell, Piper City, Ill.

Lail Schmidt, Lamar, Colo.

Arthur Thompson, Route 1, County Lane Road, West Des Moines, Iowa

Don Wooten, Crosbyton, Tex.

The CHAIRMAN. You may proceed.

Mr. HEINKEL. These people, coming from these widely separated sections of the feed-grain producing area of the United States, had some convictions of their own, and those convictions were pretty well written into the final report.

They were very firmly of the opinion, and each one of them very freely and frankly expressed these opinions at committee meetings—they were very firmly of the opinion that price supports should be made available only to those who cooperate in the program, that noncooperators should not have the benefit of price supports.

The CHAIRMAN. You mean no price supports whatever?

Mr. HEINKEL. None for the noncooperators.

The CHAIRMAN. Not even the present price support?

Mr. HEINKEL. That is right. They, also, felt that acres taken out of production should be diverted to soil conserving uses, such as in the ACP program, to be used neither for hay nor for grazing.

They felt that due to the shortness of time that a program for 1961 should be of a voluntary and of an emergency nature.

They did feel that if we were to have a program for 1961 that it was imperative that we should try to reverse the downward trend of farm products, in this case, particularly, feed grains and try to turn it around and head it back in the other direction, namely, upward.

Those were some of the views.

And as the Secretary pointed out this morning, our report was unanimously for a support price of \$1.30, with a cash payment based on 50 percent of normal production times the price support rate for the acres taken out of production. That was the basis of our report.

Senator HICKENLOOPER. What do you mean 50 percent cash, 50 percent in kind?

Mr. HEINKEL. For the conservation acres retired as condition of eligibility 50 percent of the production of an acre times the price support rate—if it would produce 60 bushels of corn——

Senator HICKENLOOPER. I thought you meant the payment for the retired acres would be 50 percent in cash.

Mr. HEINKEL. No.

Senator MUNDT. You mean 50 percent of the production and pay 50 percent, is that what you mean?

Mr. HEINKEL. Our recommendation was for 50 percent of the production times the \$1.30 price support. And if it is 60 bushels an acre corn land that you would take 30 times \$1.30.

Senator MUNDT. In the present program they have 60, whereas you have 50; that is the difference?

Mr. HEINKEL. Yes.

Senator YOUNG of North Dakota. Did you have this recommendation that the Secretary had this morning permitting sales for less than 105 percent of price support?

Mr. HEINKEL. We discussed it and felt it might be wise if the Secretary had some authority in that field. But we did not have this \$1.05 provision in our final report as we drafted it.

Senator YOUNG of North Dakota. Does your committee feel very strongly that the Secretary should be permitted to sell for less than the present formula—less than 105 percent?

Mr. HEINKEL. I do not recall there was any serious objection to it.

The CHAIRMAN. Did you discuss any other method of trying to induce all producers to get them into the program, by some kind of a penalty—in addition to not receiving the price support? Did you discuss any other methods of enforcing it, although it is labeled as “voluntary”?

Mr. HEINKEL. We rather felt that these were the two main features of the program—the inducement of \$1.30 price support for the co-operator, plus the 50 percent cash payment per acre for the acres that he took out of production. Those, we felt, were incentives for him to cooperate.

The CHAIRMAN. Did you discuss at all the feasibility of increasing the price supports for soybeans in order to induce producers to go from corn to soybeans?

Mr. HEINKEL. There was very little discussion on the soybeans matter.

The CHAIRMAN. You dealt with corn and feed grains?

Mr. HEINKEL. We dealt with the feed grains and pretty well narrowed it down to corn and grain sorghums, feeling that oats would be planted, a lot of them, and that there is not the particular problem in the area of oats as in some of these other commodities; that our problem is chiefly with corn and grain sorghums.

And so we felt that we ought to aim at trying to bring about curtailment of production of those two items.

The CHAIRMAN. Well now, are you in agreement with the statement made by Mr. Freeman this morning that in his belief around 70 percent of the producers of corn and feed grains will join in this program?

Mr. HEINKEL. That was the consensus of the thinking of this committee, as I said, most of whom are corn and feed grain producers and many of whom have had long experience in this program.

The CHAIRMAN. What is your basis for that conclusion?

Mr. HEINKEL. Well, I presume it is a rule of thumb, but based upon their experiences out in the field in the past—we had four members of the committee who were from the State of Iowa; there were two from Illinois; one from Nebraska—very great corn-producing States—and this was the consensus of opinion of all of these people.

The CHAIRMAN. Any questions?

Senator MUNDT. Did your task force give any consideration to the impact that would flow from the vested power in the Secretary of Agriculture to sell the grains that the CCC owns at the market prices, without any \$1.05 floor—you said you did not have that—but to sell it—did you give any consideration to the impact that that would have on the fellow who now stores some grain privately on his farm, getting ready to shift his operations some way and he has a lot of corn and he has some bins for oats or a little elevator man in a little town who has an elevator who buys and sells—where does this leave him? He would just be scared to death to buy the grain or to store the grain because he could not guess what the Secretary will do and maybe in 90 days the Secretary may open up the floodgates and sell a lot of grain from the CCC which throw him into bankruptcy, would it not?

Mr. HEINKEL. I believe the members of this committee happened to have a little more confidence in the Secretary than to think that he would do that kind of thing, although it is conceivable that it could happen.

Senator MUNDT. No one is stating that he will do it, however, a legislative body has some duty to its constituents, too. We cannot vest that power, put that power into the hands of a man whereby he could ruin the economy of a great segment of the community.

Mr. HEINKEL. We provided for producer benefits in the price support and in the payment for retired acres at 50 percent times the support rate for acres taken out.

Senator MUNDT. All of this is in conformity with the general philosophy of this committee in the past along that general line, as it passed such a measure, although the House did not pass such a bill. But you can get something new when you let the CCC grains be sold in competition with everything else at the market price. Up until now we felt that you had to put some safeguard in. We put in the 105 percent of the support price, plus carrying charges, trying to use it to hold the price up in the market in the hope that sometimes it would exceed the support price.

Under this new concept you turn the whole business the other way around, upside down, and employ the mechanism to push prices downward, at least give to the Secretary the power. If you give the Secretary the power, he could find reasons for doing it.

Mr. HEINKEL. Of course, I think there is another way we could do it. Since we have kicked this all around here this morning, I should mention this. With this \$1.05 limitation in the picture, if the price support were raised to \$1.30 and this floor of \$1.05 left in the picture, then I think what would happen, of course, is that the Government would take over the new corn and get rid of a lot of the old that it has had in storage and you would replace a lot of old corn, some of which is probably starting to deteriorate, with this new corn, and it would stabilize the price at \$1.05—assuming that you got real good participation.

There is not any question then if this committee was right that the price in the marketplace would stay above the \$1.05 all of the time.

Senator MUNDT. If you had it at \$1.30 and \$1.05 it would fluctuate within that 25-cent spread.

Mr. HEINKEL. Yes.

Senator MUNDT. Provided you took away the authority which still is there so that the grain which is sold to provide the money for the cash payments is there.

Mr. HEINKEL. Of course, I would not be for that theory, for this reason: because that is limited by the amount of participation. Getting into this second layer of cutback. And you only get 2 bushels out on the market, to where you would have 3 if the fellow planted the acres in corn. In other words, if he took 3 acres out of production, you would only be getting the production, the equivalent of 2 acres, back into the market. So you would get that reduction.

Senator MUNDT. Not necessarily into the market. Would you get 2 bushels where you used to get 3, or 2 acres where you used to get 3 acres, in terms of production? Not necessarily into the market. There are other practices. You know better than I do.

Mr. HEINKEL. It is all the same. It would get into a hog or a cow or a chicken or something else. It would not make any particular difference.

Senator MUNDT. This whole business of the market is one of supply and demand. Here is the unpredictable part. The stock market has changes in it. The Secretary could not estimate it, the elevator man could not estimate it—nobody could estimate accurately how much of this grain would be sold to establish the cash revenue necessary in order to make the cash payments. It seems to me that this would be separate. It would have a depressing effect on the market because it would be there.

I do not know why this \$1.05 protective mechanism would be employed in section 3 alone—it could also be employed insofar as this other item is concerned and it would eliminate that situation.

The CHAIRMAN. In this connection, if you will permit me, the original task force report provided that the existing CCC stocks should be frozen.

Mr. HEINKEL. Yes.

The CHAIRMAN. That was in their own report.

Senator MUNDT. They have gone away from that.

The CHAIRMAN. Yes, they have. Except, of course, the only exception made was as to wheat and other feed grains that would be payable in-kind. And to that extent would existing stocks be released. That is correct, is it not?

Mr. HEINKEL. Yes.

Senator YOUNG of North Dakota. How many members do you have in your organization?

Mr. HEINKEL. 125,000.

Senator YOUNG of North Dakota. How many farmers are there in this area?

Mr. HEINKEL. About 170,00 in the area.

Senator YOUNG of North Dakota. Most of the farmers in your organization are diversified?

Mr. HEINKEL. Yes. Rather let me say—let me put it this way: There are some that are somewhat specialized that we have, but we have great diversification across the State. One section is highly dairying and the other sections are general farming. We have just about all of the types of general agriculture in the State.

Senator MUNDT. Is that the largest farm organization—more than the national organization?

Mr. HEINKEL. To my knowledge, yes; it is about four times the size of any other organization in the State.

Senator MUNDT. Is it affiliated with any other?

Mr. HEINKEL. We are affiliated with the National Federation of Grain Cooperatives, and some of our members belong to the National Milk Producers Association. We have some national affiliations in that respect.

The CHAIRMAN. Mr. Heinkel, did you have on this committee anybody who actually used the grain by feeding it such as in dairying and so forth?

Mr. HEINKEL. Yes.

The CHAIRMAN. What was their position as to raising the price of grain on the products they are producing?

Mr. HEINKEL. I did not get that question.

The CHAIRMAN. Were they satisfied to raise the price?

Mr. HEINKEL. Yes; we had one member of the committee from the State of Virginia, which I will say is a deficit feed-grain-producing area, and he supported the conclusions of the committee.

The CHAIRMAN. Well now, do you think that that same position would be taken by other grain users—not the producers but the grain users—because since the program has been outlined I have received hundreds of letters and telegrams against any effort being made to raise the price of grain, because they contend that it would, of course, raise the cost of everything such as any product that is produced from feeding grain—it would necessarily increase the cost. What have you got to say to that?

Mr. HEINKEL. I attended five annual meetings last week of creamery companies in our organization in the southern part of the State who are in a deficit feed area, and out of all of the people that attended these meetings—and there were hundreds of them, and I talked to them on this subject, invited their comments and opinions—I think I found one man who wanted to have his cake and eat it, too.

In other words, he wanted cheap feed and an increase in dairy support prices. But he was, certainly, an exception—one compared to hundreds and hundreds that were in agreement with this program.

I have heard some opposition, of course, by people in the grain trade, but I have heard very little from the farmers.

The CHAIRMAN. Do you think that if the feed grain price should be raised that that would be a deterrent to farmers going into the feeding business or those who would like to broaden their poultry operations?

Mr. HEINKEL. I will say, Senator, that I do not think this is an abrupt enough change to deter a lot of them, but it will start to deter some of them a little bit. We took that into account.

Otherwise, we would have liked to have recommended a still higher price support, but we recognized the rights of the poultryman and the dairyman and the hog producer and the beef-cattle man, and we realized that we could not inflict too heavy a shock on him.

I do think that this will begin to slow down some of their plans of expansion in that field.

The CHAIRMAN. Particularly if feed grains remain cheap?

Mr. HEINKEL. Right.

The CHAIRMAN. Well, now——

Senator HICKENLOOPER. May I ask a question?

The CHAIRMAN. Surely.

Senator HICKENLOOPER. Mr. Heinkel, how will it slow down their future programs if this is adopted and put out as it has been proposed by the Secretary, only as an emergency 1-year operation? How will they know what the plan will be 2 and 3 years from now? A feeder does not necessarily plan his operation on a 6-month basis; he does look ahead a little further.

Mr. HEINKEL. I believe the Senator is thinking, and I was in answering these questions, on a little broader term than just the livestock feeder. I think we were thinking in terms of broiler and poultry and hogs and all of these users of feed grains.

The CHAIRMAN. All of the producers and users?

Mr. HEINKEL. I did not say that it would bring any great reduction in 1961, but I think that they would take this as an indication of the Department and the administration's present policy and viewpoint and begin to take that into account in their planning.

Therefore, they would probably not be inclined to further increase the production in those areas as they have been doing.

Senator HICKENLOOPER. I could see how it would have some effect if this were proposed as a permanent program, but since it is proposed as an emergency program, for this year only, I would think farmers would be reluctant to go on what is announced as just this year's emergency program in planning operations—and even though poultry can be expanded rapidly and hog feeding can be expanded rapidly, I understand that cattle feeding cannot. In the overall programing of a farmer's plans he has to look, as a rule, a little further than a year ahead, a little further than the current year.

As you know, better than I do, his planning has to be a little further ahead than that.

Mr. HEINKEL. That is the reason we made, as I said, no greater change than we did, that we did not propose any more abrupt change than we did. But it is my understanding that the Secretary has in mind starting to develop a longer range plan and that would be synchronized, probably, with the wheat program; but this is an emergency program because he has no latitude in which to act, that is, if he would contemplate getting a reduction in the production of feed grains and an increase in price supports. As I understand, that takes legislation.

The CHAIRMAN. It might be well to ask you this, Mr. Heinkel: What is your view as to the long-term program? Would you want to leave the producers of grain with limited rights to plant whatever acres they want?

Mr. HEINKEL. No, sir.

The CHAIRMAN. Would you want to have acreage controls—have them to vote on that?

Mr. HEINKEL. Certainly.

The CHAIRMAN. The same as for wheat?

Mr. HEINKEL. Right.

The CHAIRMAN. The same as for cotton?

Mr. HEINKEL. Yes.

The CHAIRMAN. The same as for other programs?

Mr. HEINKEL. Yes.

The CHAIRMAN. That is one of the weaknesses of the corn program?

Mr. HEINKEL. I believe that was in the thinking of all of the members of this committee, if I correctly reflect their thinking, and I believe I do, that they felt like we did not have time to set up all of that machinery for 1961.

The CHAIRMAN. Well, a good many argue, though, that that would not work because of the fact that most of the corn is produced as feed grain and is fed from year to year. And I am just wondering where this would lead us. If we passed this bill as proposed, what effect is it going to have on the matter of wheat and corn and other feed grains in the future, I mean?

Mr. HEINKEL. I think it would clearly be a step in the right direction, to get us to synchronize our feed grain programs with the wheat program. That is the thinking of this committee. And many members of this committee are farmers who feed their own feed grain production.

The CHAIRMAN. You see, we are establishing more or less a precedent here in paying cash and taking the land out of cultivation. Of course, we had the so-called soil bank program a few years ago which was considered in a little different light, but here is a measure that proposes to take the corn and other feed grains out of production by paying a cash payment to keep them out. And it may be that the wheat people may demand the same thing when we get this program.

Mr. HEINKEL. Of course, we took that into account, Senator. Certainly, we thought we were taking it into account because corn and feed grains are one area of our agricultural production where we had been turned loose with no holds barred on production and with price supports at 90 percent of the average of the past 3 years market price or 65 percent of parity, which is the one that happens to prevail now. And we are about at the bottom of the totem pole, so to speak.

And we felt that here there is a critical area, it needs the cooperation of all of our agriculture, because livestock and poultry and all of that revolves around it. And we felt that some extraordinary measures were justified at this time to start to turn the situation around and get it back in the right direction.

The CHAIRMAN. Of course, if corn had followed the same program as we had for wheat and other commodities, wherein you had an acreage allotment plan, all right. But somehow the corn people did not want that. And of all commodities that are produced, if there is an overproduction above the allotted acres, why, there is a penalty, but not in the case of corn.

Is it your view that on a long-term program that you would want a program similar, let us say, to what is now in effect for cotton and for other basic commodities?

Mr. HEINKEL. I would not attempt to speak for the committee.

The CHAIRMAN. Because I think that is an important thing for the committee to do, in what direction this long-range program is going to go.

Mr. HEINKEL. We had in mind—let me say this, Senator—a program that, certainly, would blend in with cotton and wheat and all of the other effective programs that are in operation, because we realize we cannot have islands of prosperity, so to speak, and islands of difference, in our agriculture. After all, it is one.

And while the program may vary somewhat, we have got to be the same.

The CHAIRMAN. When you say “blend in,” you would want acreage control?

Mr. HEINKEL. Yes.

The CHAIRMAN. And you would want penalty for overproduction?

Mr. HEINKEL. I could not speak for the committee.

The CHAIRMAN. I mean you—so far as you are concerned—you are one of the main cogs in this—you were chairman of this task force, and I presume that your advice would be sought, and it might be well

to find out what you have in mind as to the future before we enact this kind of legislation. What can we expect to stem this tide that we have had?

Mr. HEINKEL. I would say that it would be up to this committee or some other committee. I do not know whether it would be this one or not. I cannot speak for the Secretary. It would be a new committee that would be asked to plan for the future—it might be. I am only trying to reflect the thinking of the committee that I happened to have served as chairman, and the discussion that we did have.

But we felt that this would fit well into a program of the future.

The CHAIRMAN. The only argument that I would consider a good argument that the Secretary made this morning for this program is that it would save the Government, he said, the difference between \$500 million and \$1 billion and a few thousand dollars and it would be most attractive to me, if I could be convinced that that would result.

What have you to say, aside from what the Secretary has said or indicated this morning?

Mr. HEINKEL. All I can say is that I am trying to reflect the thinking of that committee. And they felt that it would bring about good participation in these programs at \$1.30 price support.

The CHAIRMAN. Have you any other views to give us as to how to proceed to persuade more producers to get into this program; I mean, to get all you can into the program? Have you thought of any penalties that could be invoked on them, aside from not being eligible for price support?

Mr. HEINKEL. I do not recall that we discussed any other approach.

The CHAIRMAN. I, for one, believe that it would be essential to try and get 100 percent, if you can.

Mr. HEINKEL. That, certainly, would be desirable as a goal, but we felt like the incentive or inducement of price supports only to those who cooperate and at a \$1.30 level, plus the cash payment for the acres that he put into the soil conserving practices, would be the things that would attract him to the program.

Senator YOUNG of North Dakota. I would say that as one who had farmed all his life that would be a strong incentive, I think, to any farmer. I think you will get very high participation—much higher participation than you got in the corn allotment when you had those.

Mr. HEINKEL. That was the thinking of this committee. There are some very substantial people on that from Iowa, Illinois, and Nebraska and these various States. I think they fairly well reflect the thinking of the people, of the farmers in the Corn Belt area.

The CHAIRMAN. May I inject this? The reason why there was a lack of participation in the old program was that when the support price was fixed at \$1.50, Mr. Benson came around and provided price supports for the noncooperators at \$1.25 a bushel. So what happened was that they simply produced all they could at \$1.25 and it paid more to do it that way than to take the allotted acres at \$1.50.

Senator PROXMIRE. Was it your judgment that a reduction of the \$1.30 to \$1.20 would seriously and substantially reduce the amount of compliance?

Mr. HEINKEL. Was it the feeling of the committee that it would?

Senator PROXMIRE. That it would, yes.

Mr. HEINKEL. Yes.

Senator PROXMIRE. This would reduce it substantially?

Mr. HEINKEL. It would reduce it quite substantially.

Senator MUNDT. If I understand this, they would get more for the retired acres under the Secretary's plan than they would under your plan, would they not?

Mr. HEINKEL. Yes, they would.

Senator PROXMIRE. 72 versus 65—they would get less for that which they produced.

Mr. HEINKEL. We did not discuss cash payment at a higher rate than 50 percent, but we were very firm in our feeling about the \$1.30 price support.

Senator PROXMIRE. Fifty percent of \$1.30 would pay him less than 60 percent of \$1.20.

Mr. HEINKEL. There would not be a lot of difference there.

Senator MUNDT. It would be 7 cents a bushel.

Mr. HEINKEL. They were more interested in the \$1.30 price support.

Senator MUNDT. At this \$1.30 price support which, apparently, you used in your task force——

Mr. HEINKEL. Yes.

Senator MUNDT (continuing). What did you conceive in your calculations to be the appropriate price support for oats, rye, barley, and the grain sorghums?

Mr. HEINKEL. We did not discuss those, other than to say at their relative feed value.

Senator MUNDT. Relative feed value—in the committee, we have found that to be a very ephemeral formula. Different people have different ideas. To size it up practically, we have to have the interpretation of the task force or the Secretary, or somebody who is going to be able to implement it, so we know what his thinking is as to serving this farmer.

Mr. HEINKEL. I think if I were a member of this committee I would ask the people that are going to be responsible for the administration of the act to come in and spell that out for me. We did not discuss it.

Senator MUNDT. Dr. Cochrane, have you calculated the tentative figure of price supports for oats, rye, barley, and grain sorghums, assuming the \$1.20 figure, which is your figure?

Dr. COCHRANE. It is easy enough to calculate the feed grain equivalent prices. And then you know in the law, however, it gives eight other things which are supposed to be considered. And that is where, as you point out, it gets kind of fuzzy.

Senator MUNDT. It gets that way, yes.

Dr. COCHRANE. There is not any mathematical formula. It just gives you things to consider. I have on the Secretary's desk what the prices will be in their present relationships and what it would be at the pure feeding rate, as to \$1.20, but the Secretary has not yet taken the other eight points into consideration. I think yours is a very fair question.

Senator MUNDT. I would observe we would have to have it before we can legislate because we are, in fact, fixing a program for the floor price for the commodity and we kind of have to know what

else the Secretary comes up with when he considers all of these before we legislate.

Dr. COCHRANE. I, certainly, will tell him that this committee, as the House committee, is interested in knowing what those other figures are. And when I apprise him of that, then, of course, he then tells me what to do.

Senator MUNDT. I think that we should have that for the record.

Senator PROXMIRE. I would like to ask him about these charts. It seems to me the price theory set by the Secretary would be better met by the \$1.30 than by the \$1.20. The program would reduce more at \$1.30, there would be more compliance, No. 1. It would reduce Government stocks more.

Mr. HEINKEL. Yes.

Senator PROXMIRE. It would, also, increase farm income more.

Mr. HEINKEL. That is for feeding.

Senator PROXMIRE. The only negative result would be that the consumers—mostly farmers—would have to pay more for their feed.

Mr. HEINKEL. But it usually follows—

Senator PROXMIRE. But these criteria would all be met in better measure?

Mr. HEINKEL. You are correct in the opinion of myself and the members of the committee.

Senator HOLLAND. Mr. Chairman, I mentioned this morning, and I think Mr. Heinkel was in the room, the fact there had been such a very poor showing made during the years in the past about acceptance of allotments by corn producers. There is a clear showing that large numbers of them preferred to take their chance by increasing their acreage and even selling at less prices than the price support level. I have here the hearing record of this committee in 1958, a tabulation showing the performance of the corn industry for 1954, 1955, 1956, and 1957, which were the last 4 years of the corn program, during which it was on an allotment basis.

I call your attention to the fact that in 1954, with an allotment of 47 million acres, only 30 percent accepted their allotments, and 70 percent overplanted.

The total number of acres planted in the commercial area was about 10 million more than the total allotted. In addition, some 24 million acres were planted in the noncommercial areas. The support price for that year was set at \$1.62. But the average market price was \$1.42—20 cents under—meaning that the corn farmers of the Nation very largely overplanted their allotments, and were glad to accept a market price 20 cents less than the support price for their increased production.

Now, in 1955, the record, if you will follow it, shows 40 percent acceptance, with the support price at \$1.58; and the price in the market was \$1.35, or 23 cents below the support price. Again, there was great overplanting, and acceptance of the market price, lower by 23 cents than the support price.

For 1956, there was only 28 percent compliance, with a support price of \$1.50 and a market price of \$1.32.

And in 1957 there was only 14 percent compliance, with a support level of \$1.40 and the market price of \$1.17.

With the bid for acceptance of price supports being much higher in each of those years than would be under this program, why do you think there would be greater acceptance now? Would there not be a large number of additional acres overplanted by thousands of farm producers who would take their chance in the open market just like they did in each of those 4 years?

Mr. HEINKEL. The reason, my thinking is, and I think this fairly reflects the reasoning of the members of this study committee, that they played around with this type of operation and have about run their string out. They have gone through rather rough waters, Senator. And they are beginning to realize the facts of life. A lot of them have exhausted not only their bank accounts but their borrowing power. And they realize that this is not the way to prosperity in agriculture. It is not the way to solve the farm problem in the feed industry or any other segment of it.

So they are ready, and in the opinion of the members of this committee, to participate in the program, many, many more of them than there were a few years ago.

Under the present program for 1959 and 1960, as I recall, we increased by 10 million acres, but we solved nothing so far as the income of the farmers was concerned. This income compared to 12 or 13 years previous is less than it was back then, when you produced just about half as much corn.

Senator HOLLAND. Why do you think then, if that is a changed viewpoint, that the sound thing should not be to have a reduced acreage allotment and a substantial support price and ask them to comply and force compliance.

Mr. HEINKEL. We feel, Senator, members of this committee did, that in programs of that kind, the producer ought to have the right of referendum, to adopt or reject it, and we did not feel there was time this year to set up, as in past years, the processes of administration and to conduct the referendum. That is why it was the feeling of the committee that it should be a voluntary program for this 1 year. The members of the committee feel very strongly along that line.

Senator HOLLAND. I call your attention to the fact, Mr. Heinkel, that the difference between the ceiling of \$1.20, which is proposed by the Department, and the floor at \$1.05, which is proposed by the Department, is smaller both in dollars and cents and on the average than has prevailed in each of the years that we have referred to. The larger difference was not accepted by most of the growers, and the market price was accepted by these growers. Why do you think that with a floor guaranteed this year of \$1.05 and with the knowledge that the market price would not be allowed to go below it, that there would not be again large numbers who would plant additional acres in order to sell their increased production at not less than that market price?

The CHAIRMAN. Would you permit Dr. Cochrane to answer?

Senator HOLLAND. I will be glad to have him answer. I want to bring the facts out just as far as we can from any witness here.

The CHAIRMAN. I understand.

Senator HOLLAND. Mr. Heinkel was about to reply. If you would care, all right; if not, let us go to Dr. Cochrane.

Mr. HEINKEL. I do not attribute that \$1.05 necessarily to be a floor. But it is entirely possible that the market price might go below that.

Senator HICKENLOOPER. You say \$1.05 is the point at which the Government would flow grain into the market

Senator HOLLAND. No.

Senator HICKENLOOPER. That is what he said.

Senator HOLLAND. That is what he said, but the Secretary said this morning, unless I misunderstood him, and the record will have to speak to that, that what he would propose to do would withhold grain from the market so that nothing lower than that would prevail.

That was what they were aiming for as a floor, and that question came out time after time. Maybe I misunderstood.

Dr. COCHRANE. That is right.

Senator HOLLAND. That is right, is it not?

Dr. COCHRANE. Yes.

Senator HOLLAND. In other words, he would not flow grain in the market so as to bring it below \$1.05, but he would withhold grain so as to try to make that the floor. Is that not correct?

Dr. COCHRANE. That is right, except for the exception of the payment in kind feature, which is in there. Aside from that, the statement says he would not release corn in the market to move the price down below \$1.05.

Mr. HEINKEL. My point was that even though he does have the floor in there and it does not flow in at great quantities at \$1.05, there is still the possibility that the market could go below that price.

Senator HOLLAND. It could not go below \$1.05 for those who didn't comply because that would be the floor for free market sales. And \$1.20 would be the support price which they would get for their complying acreage; is that not correct?

Dr. COCHRANE. I think the big reason why there would be greater compliance here is that, and we will assume those figures are right—here they get a payment for their cutback which was not in the other program. There is not only the difference between the price spread, but, also, the payment on the plan to reduce.

Senator HOLLAND. Of course, they got payment for their additional production. There is no penalty. They would get payment for the additional production.

Dr. COCHRANE. I am talking about the compliance.

Senator HOLLAND. I am talking about the temptation to overplant, to plant more and more. And certainly, there are millions of acres of corn land that can be planted, and of grain sorghums land that can be planted.

Why would not these same people, and others like them who have repeatedly shown their attitude in this matter by the record that I have indicated and a similar record which goes back to 1953, I believe—why would they not do the same thing all over?

Dr. COCHRANE. I would like to make two replies.

One, the reason why I think there would be more compliance than there was back in that period is that the compliers here will be receiving a payment which they did not in that period.

And my second point is that the people that you suggest will be increasing their production have had this price for the last couple of years.

So I would have to reverse the question and say, Why haven't they in the last couple of years, with this price, increased production?

Senator HOLLAND. Did you say the compliers did not receive price supports in those years? The contrary is that they did.

The CHAIRMAN. They receive the price support, but in addition to the price support, they get paid for the land they take out of cultivation.

Senator HOLLAND. In those days the price support was so much more tempting: \$1.62 in 1954 and \$1.55 in 1955 and \$1.50 in 1956 and \$1.40 in 1957.

Senator YOUNG of North Dakota. If you will yield there, you have to take into consideration that at that time the price of wheat and other commodities was relatively high, so there was incentive to plant these other crops rather than corn, too.

Senator HOLLAND. Anyone who can look at the record of compliance, which is really a record of noncompliance by the corn producers of this country, and can hope for any large change in attitude, I think would have to be using rose-colored glasses, because they just have not shown any such intention.

Senator YOUNG of North Dakota. When you go back a few years, I may say this, a high percentage of the corn farmers feed the corn on the farm. These farmers are not particularly interested in price supports—in later years they had this noncompliance price support, so there was really no object in abiding by it, at least not very much incentive, the last 2 or 3 years. I do not think you ever would get a very high percentage because anyone who feeds all of his grain is not too interested in price-support loans for grain.

Senator HOLLAND. The statement made by Mr. Heinkel indicates that they do not really hope for anything like unanimous compliance. They suggest 70 percent compliance. My guess is that the 30 percent who did not comply, even if that optimistic guess of Mr. Heinkel's should prove to be correct, that they would overplant so heavily that it would make a travesty out of this whole program.

The CHAIRMAN. Any further questions?

Senator HOLLAND. We have not figured in this thing—no mention has been made of it—the fact that the average production per acre has gone up so much. We cannot expect that to be reversed, because the trend has been up and up and will continue. With the temptation here to overproduce even by 30 percent, I can just see them pouring on the fertilizer and planting everything that was real good in order to get what they hoped would be a floor price of \$1.05 rather than to get this little bit of a sop that is spelled out here by this legislation.

Senator YOUNG of North Dakota. I think most farmers are pouring on about all of the fertilizer they can now. I think there would be a fairly high percentage of compliance, but you do have a point, there would be some who, probably, would increase rather than decrease. I think there would be a few though.

Senator HOLLAND. The record indicates there has been an unusually large number of the producers of corn who have taken that attitude throughout the years, does it not?

Senator YOUNG of North Dakota. I think that is true, that there is a percentage in there.

Mr. HEINKEL. The facts are that they have all accepted that, since we adopted the present program, and they have been pouring on all of the fertilizer they felt like they were able to buy, and the committee took this into account in arriving at these figures. And they had the price supports available to them, you see, regardless of whether they participated in a program or not.

So I do not think there is any inducement to those fellows to increase their production.

Senator HOLLAND. You mean that the \$1.05, as stated by the Secretary as being, in his judgment, the floor, is not price enough to induce heavier production?

Mr. HEINKEL. Not as against the price support they have had—I do not think it is.

The CHAIRMAN. Any further questions?

Senator HICKENLOOPER. I would like to ask Mr. Heinkel this question: What about the position which the Secretary took this morning? As I understood it, in reducing acreage on corn that it would be transferred into soybeans and increase the acres of soybeans about 2 million acres or whatever the amount was.

With an increased support price for soybeans, what do you think that will do for soybeans?

Mr. HEINKEL. I do not pose as an authority on the soybean situation. Of course, this decision had not been made at the time our feed grain committee met. I think that is another factor that enters into the appraisal of the situation new.

I do think that will, probably, take some acres out of the corn production. What it will do to soybean production, I do not know, but I do not anticipate that it will upset the applecart, so to speak. Our people are not alarmed about it.

Senator HICKENLOOPER. Well, the soybean people are alarmed about it.

Mr. HEINKEL. We had soybean people in our organization.

Senator HICKENLOOPER. Soybeans are doing quite well in the open free market at the present time, but still being right on a rather delicate balance, so far as supply and demand is concerned. But if you open up encouragement for increased planting of acres in soybeans, we may get soybeans into a position where we will have surpluses there that we do not have now, and induce people to plant them.

Mr. HEINKEL. Of course, if we have this corn price support at \$1.30, there would be less inducement for them to switch to soybeans, to produce soybeans.

Senator HICKENLOOPER. I suppose that those who participate in it, as to those, that would be true. But I join Senator Holland in the speculation as to this program. We have seen so much of it, of nonparticipation by farmers, where the price support for participation was even more attractive than it would appear to me to be here. Even at times when nonparticipating corn was not necessarily supported, the records of participation were not very great.

Senator HOLLAND. Were not supported at all—the nonparticipating?

Senator HICKENLOOPER. I say even when it was not supported, the record of participation is not very great.

I seriously question, under this program, the optimistic views here as to the number of feed grain people that will participate in this program.

And I, also, seriously question what will be done to the balance which is now maintained very successfully in soybean production if that support price is increased 45 cents a bushel.

What is it, \$1.85 now, is it not—is that not the support price?

Dr. COCHRANE. Yes.

Senator HICKENLOOPER. To increase that 45 cents a bushel, will, no doubt, be an inducement for a lot of people to go and plant a lot of soybeans, whereas now, the market conditions, and so on, operate, I believe, as a stop, a regulating device.

I do not anticipate that you or anybody else wants to throw this general economic farm balance out of kilter. I cannot clarify it in my own mind, except to think that it, probably, would create further imbalance.

Mr. HEINKEL. Of course, Senator, it has only been 2 or 3 years ago that soybeans were supported in excess of \$2 a bushel.

Senator HICKENLOOPER. I cannot argue that with you—I mean I cannot discuss that particular year, because we do not have the figures. But it runs in my mind that with the higher supports for soybeans there was a tendency for the soybean production to creep up to the point where we did have a slight surplus than with the regulation of the support price. We got back into more or less of a self-regulation. And today they are doing very, very well, indeed.

In other words, with the attitude of the American Soybean Association, as I have seen it expressed, it would seem to me to be advantageous to leave them alone, because they are doing very well and that price is well up today. I think it is \$2.59, something like that. That is a pretty fair price. So why monkey with it?

Mr. HEINKEL. It was the feeling of the committee—and we were not dealing with soybeans, but I think the same principle is involved—and I do not feel and the committee did not feel that lowering the price regulates your production because the thing that causes the farmer to produce is the amount of research and educational work that has been done, it is technological advances, and the know-how that he has, coupled with mechanization, plus the pressures that are on him from an expense standpoint, taxes, high cost of machinery and operating expenses—the pressures that cause the farmer to produce. And so he has not cut back his corn production, as an illustration, because the price supports have been down to \$1.06 a bushel.

We have tried that for 2 years and we do not find that we have gotten anywhere.

Senator HICKENLOOPER. Do you think that the corn farmer regulates his production of corn, necessarily, on the cash price of corn, or does he regulate it on his speculative activities, in what he can get out of it by feeding it to an animal?

Mr. HEINKEL. I think it is a combination of the two.

As an illustration, in a livestock meeting recently, one of our people pointed out that a certain farmer was feeding his hogs to a weight of 260 pounds. He was doing that as he thought he could, probably, get a better price for his corn than he could by selling it on the open market.

Senator HICKENLOOPER. In your feeding area, I mean, where feed is used, is that not generally what the farmer thinks about it—how much he can get out of his hogs—how much he can get out of his cattle—how much he can get out of the sheep, if he's in the sheep business, or in the poultry business—how much he can get out of the poultry and so forth?

Mr. HEINKEL. If the price of corn gets low enough—and that is what we run into with unlimited production of feed grains and low prices—then we develop an overproduction of livestock and poultry.

Senator HICKENLOOPER. Yes, and you knock the socks out of the livestock market.

Mr. HEINKEL. And everybody is in trouble.

Senator HICKENLOOPER. That is right. And I want to be sure that we are not headed that way with this program, with the ability to release these feed grains out of storage at the market price. And as was said this morning, and, I think, perhaps, again this afternoon, with that potential hanging over the market, that is the potential of the authority in the Secretary to release grains out of storage at the market, that is always a threat hanging over the market. How can anyone count on what the market price will be? How can they count on the future?

Mr. HEINKEL. Of course, this committee is competent to draft a bill that does not have that provision in it, to see that it is sound.

Senator HICKENLOOPER. Well, I presume this committee will, eventually, act on the bill. That is very true. But we are not just discussing—

Mr. HEINKEL. Yes.

Senator HICKENLOOPER (continuing). Various alternatives. I think all of us are interested in the best possible economic situation for the farmer that we can get and that is workable.

Mr. HEINKEL. Frankly, I feel if we had \$1.30 price support and if this \$1.05 stayed in there and we froze the stocks other than these payments in kind, we would have a darn good bill.

Senator HOLLAND. And leave out soybeans?

Mr. HEINKEL. Soybeans are not in here.

The CHAIRMAN. Soybeans are not in here. The Secretary of Agriculture has the right under the present law to raise the ante if he desires.

Senator HICKENLOOPER. Two more questions. Let me ask you this: First, do we agree that if the price of feed grains goes too high it will have a bad effect on the animal market, that is, hogs and cattle and sheep, and so on?

Mr. HEINKEL. Yes; I think so—that that is a threat.

Senator HICKENLOOPER. One other thing: This bill as designed, as we talked a while ago—and I do not care to go into that again—we talked a while ago about the fact that this bill is declared to be an emergency bill—agriculture is pretty universal over the United States. In the southern part of the United States, probably, many crops are planted, there programs are laid out—in the northern part of the United States, in the feed grain areas, farmers have gone pretty far toward planning their operations for this year, looking toward next year.

Do you think such a program as this has any chance of having any widespread application for this year's crops in the country? Do you think it can be done?

Mr. HEINKEL. Senator, the other members of the committee and I, had we thought that, we would not have said this.

Senator HICKENLOOPER. I take it your answer is that you think it does?

Mr. HEINKEL. Yes; if we can get it into operation soon.

Senator HICKENLOOPER. With the way legislation has to go inevitably here, undoubtedly, it will be some time before a final bill is enacted, and I seriously question that this program can get—I do not mean to say it cannot get on the books—I do not mean that—but I seriously question that it can get into any practical widespread effect, so far as the agricultural part of this country is concerned, in this year's production.

Therefore, even though we did not make it an emergency action, I question its effectiveness.

Mr. HEINKEL. I understand, Senator. I do not presume to say how fast the Senate ought or can move. But I would say that the date at which legislation would be passed would be tremendously important as to whether it would have an effect or application.

Senator HICKENLOOPER. I will agree.

Senator MUNDT. What would you say would be the latest?

Mr. HEINKEL. I would say 6 weeks at the latest.

Senator HICKENLOOPER. I think that would be it. I am not so sure but what it is not too late now for a great many of the farmers who are planting and all of that.

Mr. HEINKEL. Yes.

Senator HICKENLOOPER. Have you seen the report filed by the President's task force, on agriculture, a report signed by Mr. J. N. Efferson, Lauren Soth, and Jesse W. Tapp; have you seen that report?

Mr. HEINKEL. Yes, sir; I have seen it, Senator.

Senator HICKENLOOPER. I do not mean to ask you a blind question here, entrapments or anything of that kind. But do you find yourself in agreement or disagreement with that report, if you are familiar with it?

Mr. HEINKEL. I find myself in disagreement with it. And let me point out that I heard one of those gentlemen say—you asked me the question just a moment ago whether I believed a lot of cheap grain, an abundance of cheap grain, ultimately, leads to cheap livestock prices; and I said, yes, and I gathered that you had the same opinion. I heard one of these gentlemen say that he did not agree with that philosophy or theory at all.

So far as I am concerned, that, to me, discounts the major portion of this report.

Senator HICKENLOOPER. I feel quite certain that historically that very low feed prices lead to an increase in the number of animals to be fed and taking advantage of those low prices and the destruction of the meat economy so far as the farmer is concerned.

But I call this to your attention. They say very definitely in this report that I have just referred to, among other things, on page 3:

We believe the most practical way to deal with the grain surplus is to undertake a greatly expanded land retirement program.

That is a generalized statement. Do you believe that that would be a step in the right direction?

Mr. HEINKEL. Well, it depends, I think, some on what approach you would use to land retirement. Of course, we have that in this feed grain study, the committee recommended it—the retirement of land acres to soil conserving practices. But it is aimed to taking it out of the specific crops in which we have abundance and surplus. And we feel that land retirement ought to be beamed at the crops—

Senator MUNDT. Is Mr. Cochrane leaving now? I want to ask him a question. Is he leaving?

The CHAIRMAN. For just a moment.

Senator HICKENLOOPER. I am looking for a statement in here which I saw a moment ago, in which they, as I recall it, made the statement that they believed that it was now too late for any effective program or any program to be effective for this year's crop. I am trying to find that statement here. If I misread it, I will correct my statement. Here it is, at the top of page 4, where they say:

Nothing can be done about the 1961 wheat crop since most of it is planted, but plans should be made to adjust plantings in the fall of 1961.

You agree that wheat is out?

Mr. HEINKEL. Yes.

The CHAIRMAN. That is right.

Senator HICKENLOOPER. They, also, make this statement:

We believe it would be unwise to raise price supports for wheat and corn under present circumstances.

I continue the quote:

This would increase the problem of getting production into line with markets and would increase surplus accumulation. The emphasis should be placed on restraining production of grains.

Then they have one other observation which is near the bottom of page 4 of this report.

Mr. Chairman, I am going to ask that this report—it is only 5 pages long—be put in the record.

The CHAIRMAN. Without objection it will be.

(The report follows:)

REPORT OF THE PRESIDENT'S TASK FORCE ON AGRICULTURE

KEY ELEMENTS OF THE AGRICULTURAL SITUATION

Farm production prospects

Under present Federal agricultural programs, with average weather, total farm output probably will continue to rise at a faster rate than market outlets. This means that with no change in programs the United States will continue to accumulate surpluses. The net cost of Federal farm price supports, storage, and disposal programs probably will remain in the range of recent years—\$2 to \$4 billion.

The overproduction of grain is the center of the farm surplus problem, affecting most of American agriculture directly or indirectly. During the current marketing year, the Nation is adding 400 million bushels of grain to the carryover, and this rate of accumulation probably will continue. For corn and other feed grains, there are price supports but no production restrictions. Other major commodities appear to be coming into better balance between production and market outlets, but the grain situation is becoming unmanageable.

If the grain surplus is not brought under control soon, it will spill rapidly into the livestock industries, resulting in expansion of meat, dairy products, and

poultry products and sharply lower prices and net incomes for the producers of these products. The livestock industries are in fairly good balance now, primarily because of the Government programs which hold a considerable quantity of grain off the market.

Prospective demand

Expansion of the domestic market for farm products will be limited largely to growth of population. There will be more heavy-eating teenagers in the population in 1965 but also more people in old-age groups. The effects of changes in age groups will be largely offsetting. If consumer income grows at about the same rate as in the 1950's, per capita disposable income in 1965 will be 10 to 15 percent above the 1959 level. However, this increase in income would have relatively little effect on the per capita demand for food.

We can see little possibility of substantial expansion in export markets. Every effort should be made to increase the use of our surplus food in hungry countries by special programs and by commercial exports, but it would be unrealistic to look to foreign disposal as a solution for the farm surplus problem.

Distribution of food surpluses to needy people in this country also should be encouraged in every way possible, but the expansion in the total market for food from this source is not likely to be great.

Balance between production and markets

If present programs are unchanged, we expect a further decline in net income of commercial farmers in the next 5 years. Gross income to commercial agriculture will increase slightly, as a result of larger volume at approximately the same level of prices. However, costs of production undoubtedly will continue to rise, so net income will continue to drift downward, although not drastically so long as present programs are maintained.

Adjustment in number of farms

The number of commercial farms is not likely to change greatly in the next 5 years. The income squeeze is not so great as to cause a rapid reduction in the number of commercial farms. The number of farms with gross sales above \$2,500 has held approximately steady for the last decade, and the reduction has been in noncommercial farms of low productivity and low income.

The decline in total number of farms and number of people in farming will continue in the next 5 years under present programs. The speed of this movement will depend largely on the rate of economic growth for the economy as a whole and on the level of employment. If the rate of unemployment continues above 6 percent, we expect a slowing down in the rate of agricultural adjustment, because nonfarm jobs will not be available for farm people.

Income to farm families from nonagricultural sources has become increasingly important in recent years. About one-third of the total net income of the farm population came from nonfarm sources in 1959. This nonfarm income of farm people will be under pressure unless the economic growth rate is increased.

Short run policies

We believe the most practical way to deal with the grain surplus is to undertake a greatly expanded land retirement program. This land would be removed from production of any crop for market or for livestock feed or pasture. Nothing can be done about the 1961 wheat crop since most of it is planted, but plans should be made to adjust plantings in the fall of 1961.

Participation in the land retirement program at some minimum level should be a condition for receiving price support or other benefits from farm programs. Land retired from cotton, wheat, and other crops with acreage allotments should be placed in the conservation reserve.

An effort should be made to retire a considerable acreage of land that has been planted to feed grains in recent years. We believe that a substantial increase in payments for land retirement in 1961 would be partly offset in the Government budget in subsequent years by lower costs for price supports and storage. Land retirement costs will be high, but the more money spent on this program, the lower the costs for price supports, disposal, and storage. And these expenditures for land retirement would be moving agriculture in the direction of long-run adjustment.

An effort should be made to curtail Government programs that are tending to increase production of farm products. For example, the \$250 million agricultural conservation payments might well be used as part of the fund for

land retirement instead of for enlarging the productive capacity of agriculture. Land reclamation and other programs increasing land in cultivation should be curtailed.

We believe it would be unwise to raise price supports for wheat and corn under present circumstances. This would increase the problem of getting production into line with markets and would increase surplus accumulation. The emphasis should be placed on restraining production of grains.

Cotton and rice are also in surplus, but the maladjustment of supply and demand is not as serious as for wheat and feed grains. The market position of these commodities would be improved by a general land retirement program. We believe the general level of dairy price supports should be unchanged for the next year and that surplus accumulation at this support level would not be excessive.

In our judgment, farmers would be unlikely to support rigid supply control programs at this time. We believe, however, that they would support a comprehensive land retirement program.

Long-range policies

These recommendations for action in 1961 would fit in with a long-range policy of land retirement. In this long-range program, the emphasis should be on retiring whole farms so as to get a better adjustment of manpower and land resources in American agriculture.

We believe the programs for depressed areas should include some marginal areas of agriculture. The present rural development program could well be expanded to help increase the earning power of many people who are now earning little in agriculture.

We repeat, however, that long-term agricultural adjustment depends largely on the achievement of a vigorous rate of growth for the rest of the economy and the availability of nonfarm jobs.

Senator HICKENLOOPER. I am quoting—they start out by saying there should be a long-range program that would fit the 1961 crop and give time for planting, and they say:

In this long-range program, the emphasis should be on retiring whole farms so as to get a better adjustment of manpower and land resources in American agriculture.

I realize that that statement is controversial.

Senator MUNDT: I would agree with that one.

Senator HICKENLOOPER. Would you see any substantial objection to a program which would put, if a formula could be worked out, which put a limitation on the retirement of whole farms but let whole farms up to a certain size or proportion be retired?

I will explain a little bit. I believe that the statistics will show that if the production of all of the marginal farms, acreagewise, in the United States were taken out, that it would pretty well take care of the surplus. That is, there are enough feed grains produced on the 10-, 20-, 30-, and 40-acre farms that almost equals the surplus in this country.

Now manifestly the man with 40 acres, who has got a job in town and is working a very small acreage in the evenings and Saturdays and Sundays, manifestly it is not much of an inducement for him to take out 10 percent of a small corn acreage that he may have on that 40 acres or 20 acres or something of that kind, but if he can put the whole farm in, it might in the long run greatly reduce the total feed grain producing acreage.

Do you think there might be some formula that could be worked out, so that these marginal acreage plots could be taken out, the whole of the farm?

I understand the objection to taking out the 160, 240 acres and something like that.

Mr. HEINKEL. I would not rule out a careful examination of any approach toward the solution of this farm problem, but it is our experience that it is not the marginal farmers that put farms in the soil bank. He has a small farm, maybe it is not very high producing, or has a job in town. He wants to live out there on the farm. This is a little diversion from his hammer and saw work, or whatever he is doing. And we have found that it is some of the big farmers and some of our better producers who put the land in the soil bank.

Senator HICKENLOOPER. I understand, but the fellow who has the small acreage very often it is too small for him to monkey with and he does not fool around with taking 2 or 3 acres out of his farm. But if he could take out the whole business, his whole farm, he would, in many cases, at least from what many of them have told me, if they could take out their whole 25 or 30 acres, or 40 acres, if they could take the whole business out, they would be glad to consider it.

Mr. HEINKEL. It is our observation that they do not constitute the farm problem, Senator. It is the fellows with the larger farms, with the technical know-how and knowledge.

Senator HICKENLOOPER. I understand.

Mr. HEINKEL. And mechanization and ability to produce.

Senator HICKENLOOPER. They are the efficient producers and big producers, that is very true. But you have got a tremendous volume of feed and feed grains produced, nevertheless, by the marginal farmer, acrewise.

Mr. HEINKEL. I believe that is a relatively small percent of the total.

The CHAIRMAN. Any further questions?

Senator HOLLAND. How about the 15-acre farmers in wheat? They certainly produce in sizable volume.

Mr. HEINKEL. I would assume that—again I am not trying to speak for the wheat committee—there is another committee on the study of wheat and I would assume that in any future program they would cut that fellow back the same as everybody else.

Senator HOLLAND. You are not saying that if he put his whole 15 acres and all of them put their 15 acres or less into any program, would not very substantially affect the total of wheat production?

Mr. HEINKEL. However, most of that, as I recall, is in the soft wheat, in that producing area, a lot of it, of which we don't have particularly a surplus.

Senator HOLLAND. I have just one question, Mr. Heinkel. What do you regard as the average cost of production per bushel of corn?

Mr. HEINKEL. I would not attempt to say offhand.

The CHAIRMAN. Dr. Cochrane has figures there, Senator.

Senator HOLLAND. I would like to have something in the record at this point. What is the average cost of production for corn in the well-suited lands of Iowa, parts of Missouri, Illinois, and Nebraska?

Dr. COCHRANE. These are data from USDA called "Farm Costs of Returns on Commercial Farms," and the way they handle it, they indicate the gross income; then from that they deduct operating

expenses; from that they deduct charges for capital, and then the last in the residual is the return for hour in current dollars is the way they stated it.

Senator HOLLAND. The way I would like to have you state it for the record, if you can from those figures, is what is the average investment that a farmer has in a bushel of corn when he gets it produced in a well-suited corn-producing area?

Dr. COCHRANE. Well, I can give you per bushel; that can be stated. It is not stated that way here.

Senator HOLLAND. Could you state it?

Dr. COCHRANE. Yes, for the record but not immediately at this point because it would have to be computed.

The CHAIRMAN. Suppose he works the figures up and we will put it in the record at this point.

Senator HOLLAND. I am sure those figures are available, Mr. Chairman, because that is a basic figure in the average commodity—what is considered as the production cost on well-equipped, well-run farms on suitable lands.

(The information referred to follows:)

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, February 25, 1961.

Mr. HENRY CASSO,
Economist, Senate Committee on Agriculture and Forestry.

DEAR MR. CASSO: Dr. Cochrane has asked me to give you information concerning the cost of producing corn.

A table is attached showing the cost of producing corn as calculated by the Farm Economic Research Division of Agricultural Research Service. The figures are based on 1959 data; 1960 costs would be only slightly higher. The U.S. index of prices paid for commodities used in farm production increased by less than 1 percent from 1959 to 1960.

The first column shows costs applicable to the Corn Belt as a whole. The 60-bushel yield is close to the average of recent years for the Corn Belt States. The second column is calculated on the basis of a yield of 50 bushels. Some of the discussion of the effects of the emergency feed grain program has been in terms of land of about average quality for the United States as a whole. Fifty bushels per acre approximates national average corn yields for recent years.

With 50-bushel yield, the table shows average operating costs of 30 cents per bushel, capital charges, depreciation, and overhead costs of 45 cents, family labor costs of 12 cents and a total cost of 87 cents per bushel. With a yield of 60 bushels per acre, these costs become 32 cents, 41 cents, 10 cents, and 83 cents, respectively.

Sincerely yours,

ORLIN J. SCOVILLE.

Costs of producing corn—Corn Belt, 1959 (estimated on basis of an owner-operated farm)

	Cost per acre	
	60-bushel yield	50-bushel yield
Seed: $\frac{1}{2}$ bushel hybrid, at \$11.50 per bushel.....	\$1. 90	\$1. 90
Fertilizer: 300 pounds per acre of 10-10-10 at \$3.25 per hundredweight on 75 percent of acreage for 60 bushels and 220 pounds on 50 percent of acreage for 50 bushels.....	7. 30	3. 60
Spray: 2, 4-D, 20 percent of acreage at \$0.50 per acre for materials.....	. 10	. 10
Tractor fuel: (5.8 hours, at 1.5 gallons per hour, at \$0.20 per gallon).....	1. 75	1. 75
Oil and grease: (0.04 gallon oil/gallon fuel (8.7) at \$1.25 per gallon).....	. 45	. 45
Tractor and machinery repairs: \$0.40 per hour for 5.8 hours.....	2. 30	2. 30
Hired labor: (12 percent of total of 6.8 hours at \$1 per hour).....	. 80	. 80
Shell and haul to market at \$0.08 per bushel.....	4. 80	4. 00
Total cash costs per acre.....	19. 40	14. 90
Depreciation of tractors and machinery 5.8 hours at \$1.17 per hour.....	6. 80	6. 80
Operator and family labor: (88 percent of 6.8 hours at \$1 per hour).....	6. 00	6. 00
Real estate tax per acre.....	3. 25	2. 50
Interest charges for land and machinery per acre:		
Land: (\$235 per acre for 60 bushel land, and \$200 per acre for 50 bushel land at 3.5 percent).....	8. 25	7. 00
Machinery: \$48 per crop acre at 3.5 percent.....	1. 70	1. 70
Other overhead costs charged to corn.....	4. 65	4. 50
Total cost per acre.....	¹ 50. 05	² 43. 40
Cost per bushel.....	¹ . 83	² . 87

¹ These costs based on 1959 practices and production in Corn Belt proper.

² These costs are estimated from current practices adjusted to lower yields and lower land values consistent with 50-bushel yields.

Senator HICKENLOOPER. How much is that bushel of corn standing when he is ready to market? How much has he got to get out of it to break even and above which is profit.

Senator PROXMIRE. These figures have to make all sorts of assumptions, the return on the farmer's capital, on what you assessed the farmer's labor as being worth.

Dr. COCHRANE. That is what I think is interesting about these. You get as the return on labor per hour on cash grain farms in the Midwest in 1959 was 2 cents an hour.

Senator PROXMIRE. You must have some precautions, and you must use caution.

Senator HOLLAND. That is not the kind of return that would indicate how much temptation there would be for a man owning good acreage which had not been used for corn production in recent years or last year, to add it as a producing factor in the event this legislation is passed. I know such figures must be available.

The CHAIRMAN. You understand the question and can you supply the data for the record, doctor?

Dr. COCHRANE. I will try to. I am not sure, I am not sure I understand it.

Senator MUNDT. I have been here a long time with one question which I started to ask about a half hour ago.

Senator HICKENLOOPER. I would like to have one interruption because you have interrupted me two or three times.

On your 2 cents an hour production——

Dr. COCHRANE. It is not mine.

Senator HICKENLOOPER. Well, you are taking it out of the book. Every farmer in the United States would long since not become

only emaciated but he would be dead from starvation or he would be on relief if that is correct. Two cents an hour, 10 hours a day, would be 20 cents a day, and I am not sure but what he makes more than that. I do not think he makes as much as he should.

The CHAIRMAN. You must include the costs of running a Cadillac. [Laughter.]

Senator PROXMIRE. That is a Louisiana farmer. [Laughter.]

Senator HICKENLOOPER. The way the record stands it is that he gets 2 cents an hour.

Senator YOUNG of North Dakota. I am amazed that it is 2 cents an hour profit. Often times he loses much more than that.

The CHAIRMAN. Senator Mundt.

Senator HOLLAND. Will you just let me make this comment and then I will get out of the way. I know that such figures are basic, and they must be available, and I do not like the attitude of the witness, Dr. Cochrane, who apparently is evading the question.

I have been in agriculture a long time.

The CHAIRMAN. I do not think that was the intention.

Senator HOLLAND. We have never had any difficulty in getting such figures on our citrus or vegetables of any particular crop we produce in Florida from our Department of Agriculture and from the experiment station and others. That is all I want here because I think it will reflect some light on the question of how much inducement there will be for people to overproduce; that is my only purpose to get it in the record for that purpose, good or bad.

The CHAIRMAN. Well, the doctor indicated he understands the question and will place the data in the record.

Dr. COCHRANE. That is right; but I did not have them right here.

The CHAIRMAN. Senator Mundt.

Senator MUNDT. I would like to say, first of all, I do not want the record to go undisputed that there is any tendency on the part of this committee unanimously to resurrect putting the whole farm into the soil bank because that has caused us no end of trouble.

Senator YOUNG of North Dakota. I am with you.

Senator MUNDT. If you want to really cut back on the production if you take the whole farms and the rich productive areas of Iowa and put them out of production for years, you would not have any trouble with the corn crop. That is where your trouble comes, it does not come from the little tracts and the so-called marginal farms of the country.

On the soybeans, did I understand you to say, Mr. Heinkel, you did not think increasing the support price of soybeans would increase the production or didn't I understand?

Mr. HEINKEL. Yes. I think it will increase the production, but I very seriously doubt that it will get us into a very serious problem.

Senator MUNDT. I thought you said it would not increase the production, and I was pretty sure that that was what you meant, because the whole burden of testimony this morning was, and your previous testimony, that this would be a magnet pulling some acres away from corn and grain into soybeans.

Mr. HEINKEL. I certainly did not intend to leave that impression.

Senator MUNDT. And I think if they pay more for soybeans than they do for some other crop it would attract others into it.

Mr. HEINKEL. I think it would attract less if it was \$1.20 than if it was \$1.30.

Senator MUNDT. Several times Dr. Cochrane has pointed out that this task force believes that \$1.30 would be a preferential figure to the \$1.20 that you fellows presented.

Now, I am sure you had some good and valid reasons in your own opinion in selecting \$1.20 instead of \$1.30, and I wish you would tell the committee why you elected \$1.20 instead of \$1.30.

Dr. COCHRANE. There were several reasons and, of course, this was a group decision, with the Secretary approving.

One of the overriding reasons was hope and belief that if we could change somewhat the price ratio of corn and soybeans, we could draw down the production of 100 million bushels of corn, roughly 2 million acres of corn, and get that reduced. Those 2 million acres would go into soybeans, which would be about 50 million bushels of soybeans, which, in light of the information we had about the prospective world market next year, and the information we had about the hopes of Public Law 480, would be that this oil could be used effectively in the world. And we felt that this price ratio change would work out to about the same in terms of farm income.

By leaving, putting the corn price at \$1.20, as opposed to \$1.30, that is easier to get the change in the price ratio as between corn and soybeans.

The second reason was, as the one that Mr. Heinkel has alluded to on occasion, that we felt that it would, perhaps, be inappropriate to raise the price of feed grains too much because of the impact it would have on the broiler industry and livestock feeding.

So I would say in terms of not having a too radical impact on the consumers of feed grains, but raising feed grains some, so as to help shut off the flow of hogs next year, and to get the changed relationship between price of feed grains and corn—these were the two leading reasons that went into the Department's recommendation of \$1.20 for corn as opposed to \$1.30.

Senator MUNDT. However, as I understand the task force position under conditions generally corn is our problem today, not soybeans.

Now we use soybeans as another weapon with which to attack surplus corn production. But corn being the problem, and the task force saying if you put at at \$1.30 you will attract more cooperators—cooperators are the fellows who cut back your surplus—it seems to me that you weaken that argument by the approach that you make on this other basis of your argument by cutting corn down to \$1.20.

Dr. COCHRANE. I am in a peculiar position of wearing two hats here. I was secretary to the task force, so I was nonvoting, and I do work for the Secretary.

Now I think it was the position of the Secretary and the group that made this decision that the \$1.20, with the total package of the soybean price change, and the payment at 60 percent, that the income increase, which we believe is the real incentive to come in, is almost as large, or partially the same, under the two proposals, and we would get as much participation as the task force thought under the other.

Senator MUNDT. This morning when the Secretary was talking about costs, if I remember, or if I retain his figure accurately, he

said his new program would cost, your program would cost, \$500 million; is that right?

Dr. COCHRANE. Well, that is the cash payments.

Senator MUNDT. Would you give us the breakdown as to how you arrived at that \$500 million vis-a-vis the present costs of over \$1 billion? How do you arrive at the \$500 million total?

Dr. COCHRANE. Well, the \$500 million total is the payment on 20 percent of the acres remaining for the 70 percent of the participants.

Senator MUNDT. The rental on retired acres.

Dr. COCHRANE. The rental on the retired acres.

Senator MUNDT. What else is it?

Dr. COCHRANE. That is all there is in it.

Senator MUNDT. No, there are a lot more costs involved. Don't you include those? You have rental on the 20 percent; you have your rental on the optional 20 percent.

Dr. COCHRANE. No, that is not included.

Senator MUNDT. So there is \$500 million plus whatever it costs to rent the additional?

The CHAIRMAN. That is the cash outlay, Senator, as I brought out this morning. The other would be payment in kind.

Senator MUNDT. Which is cash.

The CHAIRMAN. No.

Senator MUNDT. It could be cash.

The CHAIRMAN. The Commodity Credit has authority to dispose of whatever grain or give it in kind, and pay the cash over to the farmer or the farmer himself may—

Senator MUNDT. So the difference between what the Commodity Credit gets and what it has invested in grain has to be added to the \$500 million, does it not?

The CHAIRMAN. Added to it; yes, indeed.

Senator MUNDT. How much do you estimate that to be?

Dr. COCHRANE. There are 200 million bushels to be cut back which means a payment of about 150 million bushels at a value of \$175 million.

Senator MUNDT. Net cost?

Dr. COCHRANE. This is the value of the bushels paid out valued at \$1.20 per bushel.

Senator MUNDT. You get some credit coming back because you sell it, but you have got to give us the figure to show the differential what you get for the grain and what you have invested in it.

Dr. COCHRANE. The \$175 million figure I am giving you is the value of the bushels or the volume that would be paid out under the payment in kind, under the estimated participation expected in the payment in kind.

Senator MUNDT. About how much do you think would be the net loss to the Government per bushel?

Dr. COCHRANE. I would have to guess here, but I could just think out loud with you a little bit. I would say that the corn that we are taking in now in the 1961 crop and holding about 10 years, you pay about \$1 for it, and the cost and everything of holding it for 10 years is about \$2 and on top of that, you get your dollar back providing you sell it, so you still have the cost—you have a loss of \$2 by holding it for 10 years.

The CHAIRMAN. Fifteen cents per bushel per year.

Dr. COCHRANE. Yes, something of that sort.

Senator MUNDT. That would be over \$200 million in addition to the \$500 million, \$250 million maybe more?

Dr. COCHRANE. Yes. But the point I am trying to make is that you have the offset of not carrying this corn X number of years with all the storage costs.

Senator MUNDT. But in order to get a comparable figure with your \$1.5 billion, you have to add this element in, this factor in, to have a comparable figure, do you not? So to show what you are actually going to save as against this, it would save some money, and we are trying to find out how much. It will save the money you want to save, less \$500 million for the cash rental, less maybe \$250 million of the differential between what you paid and what you get.

Mr. HEINKEL. Mr. Chairman—

The CHAIRMAN. Mr. Heinkel.

Mr. HEINKEL. I would just like to say that I tried to fairly reflect the thinking and the attitude of the Feed Grain Study Committee and the report that they made, and I am in accord with that report, but I would like the record also to show that individually and as president of the Missouri Farmers Association, and that report was compiled before the support price of soybeans was raised, but I would like the record to show that I individually and, as president of my organization, am supporting this program as it is now here before us, because I still think it is a step in the right direction. Thank you, gentlemen.

The CHAIRMAN. Any further questions?

Senator MUNDT. Yes.

You will have to add a third factor, will you not, if you are going to pay \$1.20 per bushel and the Government is going to buy up the whole corn production of the country from the compliers; of course, you are hoping for 60 percent compliance, so you are going to buy up, let us say, 60 percent of the corn production at \$1.20 per bushel.

Dr. COCHRANE. No, sir. If we get what we estimate, 60 to 75 percent of compliance, there would be a reduction such that the market price would be at or around \$1.20—in other words, we would consider that with 70 percent compliance, the program would have been successful.

The cut in production amounts to about 18 million tons or 650 million bushels, and would be such that the market price would be at or around \$1.20, and we would not take over that, so at that level of operation that cost would not enter in.

Senator MUNDT. If your market price goes up to \$1.20, then what is going to happen to these fellows Senator Holland is worrying about, the noncompliers? They will get \$1.20 on the market.

Dr. COCHRANE. I can only give you—

Senator MUNDT. What happens to those growers?

Dr. COCHRANE. We can only estimate that. If we get 70 percent compliance we will get a cutback of this 650 million bushels, including the soybean transference, 550 in the cutback due to the cash payments, and a hundred million due to the transference of corn land into soybeans, so that we get 650 million cutback in production, which would bring the market price at or around \$1.20.

Senator MUNDT. That would eliminate the additional charge, the cost?

Dr. COCHRANE. We would not take over any grains at this price—we would not be taking over corn or it would not be put under loan at that price.

Senator MUNDT. Maybe I do not understand you correctly, but if I understand it now, 70 percent participation would bring the market price up close enough to \$1.20 so that you do not envision any extra costs to the Government by virtue of the fact that it is buying the corn because it can put it back at the same price?

Dr. COCHRANE. That is right.

Senator MUNDT. Granted that is true then for the sake of discussion, how about Farmer Jones who is a rugged old individualist and says, "I am not going to go into this program at all because I can farm my whole farm and sell my full products on the market and get \$1.20, which is all I would get anyhow."

Senator HOLLAND. He would double his acres.

Senator MUNDT. It seems to me if your theory is right——

Dr. COCHRANE. He does not know that now. All I can say is that if we get 70 percent compliance we think there is a reasonable possibility, but certainly not a certainty, we would get the cutback such that the total output of corn, in 1961 would sell on the market at or around \$1.20, and in this situation we would not expect to take over corn under the loan.

Senator MUNDT. If it does though, then haven't you penalized the fellow who has tried to be a good citizen and to cooperate? Isn't he coming off worse than the fellow across the fence line who raised his full acreage and got \$1.20?

Mr. HEINKEL. Not with the increase in price support of corn with the cash payment he will get, he will not come out the same.

Dr. COCHRANE. He will have had a cash payment——

Senator MUNDT. For not producing.

Dr. COCHRANE (continuing). For the land he took out.

Senator MUNDT. Yes. But the cash payment for the land he took out is not going to net him as much as \$1.20 per bushel for raising a full crop of corn, is it? We have a lot of farmers who can raise 80 or 100 bushels of corn that Senator Hickenlooper talks about in South Dakota, without considering what they can raise in Iowa, and if he can expect to get into the marketplace without compliance the price of \$1.20 a bushel, he will not cooperate.

Dr. COCHRANE. He will get 60 percent on his yield, whatever his yield is; if he is an 80-bushel-an-acre grower, well then, it would be 80 bushels times the price support of \$1.20, and then 60 percent of that.

Senator MUNDT. Would it have to follow from that then that the figure you are going to get for Senator Holland is going to have to equal 40 percent of the market value of corn? It would have to cost him 40 percent to produce for him to break even.

He gets 60 percent for not raising and he gets 100 percent for raising, so he would have to be operating under conditions where it would cost him 40 percent of his market value in order to plant and produce the corn or else he would get hurt; isn't that right, Mr. Heinkel?

Mr. HEINKEL. Yes, it probably would cost him that.

Senator MUNDT. As a farmer you would know that it would be a reasonable expectation that it would cost him 40 percent of \$1.20 to produce corn.

Mr. HEINKEL. Probably more than that; and, furthermore, he would not know this spring at planting time how much he was going to come out with in the fall, whereas the cooperator would, he would know that he had this definite assurance of \$1.20, plus the cash payment. The other fellow is taking the chance.

The CHAIRMAN. Any further questions?

There is only one question I would like to ask Dr. Cochrane. He must leave in about 20 minutes.

Doctor, in figuring the savings that you speak of of \$500 million approximately, how do you come to that conclusion? Did you figure in keeping this corn, this 600-million-bushel figure for a period of 10 years?

Dr. COCHRANE. Yes, sir; that is the present—

The CHAIRMAN. You assume you are going to hold that corn, 600 million bushels for 10 years?

Dr. COCHRANE. That is what is happening now. That is the present rate of turnover of corn at the present time.

The CHAIRMAN. Well, I thought you were figuring it out on a yearly basis, but you figure the saving because you are going to keep that amount of 600 million bushels for 10 years; that is how you get your saving of \$500 million?

Dr. COCHRANE. Yes, sir.

The CHAIRMAN. That is all.

Senator HART. Mr. Chairman, before Mr. Heinkel leaves, there has been discussion about whether it is too late and, therefore, we should not do anything. I would like for the record your opinion on whether we would be better off to make no change because it may be too late or though, perhaps late, make a change within the range of your task force recommendation and the Secretary's bill?

Mr. HEINKEL. I am giving you the thinking of this committee, this task force committee, and if we could get the legislation passed in a reasonable time I would say probably by the 10th of March or the 15th we ought to try it.

Senator HART. Let us assume May 15.

Mr. HEINKEL. Which?

Senator HART. Let us assume March 15 arrives and the bill is not passed. Are we better off to permit what I think is an unsatisfactory situation to become intolerable or would passing the bill in May make it even more intolerable?

Mr. HEINKEL. I would think it would be useless to pass it in May, Senator.

Senator HART. Useless?

Mr. HEINKEL. Because I think that would be entirely too late to get the regulations and so forth through the mill and get it to the field and get any participation.

Senator MUNDT. We would have to put a plow under it.

Mr. HEINKEL. I would not doubt it.

The CHAIRMAN. Senator Young wants to ask a question.

Senator YOUNG of North Dakota. I do not want to ask a question, I just want to commend Mr. Heinkel for the best testimony I have heard for many years. I know no farmer leader who has a more down-to-earth knowledge of farming than you do.

Mr. HEINKEL. Thank you.

Senator MUNDT. Has your task force report been put into the record of this committee?

Dr. COCHRANE. Copies of that report were circulated.

Senator MUNDT. I think it should be in the hearings.

The CHAIRMAN. We ought to have a copy of this in the record at this point.

(The document referred to follows:)

REPORT OF THE FEED-GRAIN STUDY COMMITTEE

Detailed Report to Secretary Freeman, January 30, 1961

I. INTRODUCTORY STATEMENT

The committee believes that positive action to raise the incomes of feed-grain producers and to stop the buildup of stocks in 1961 is absolutely necessary. But the time available to develop and place in operation a program is exceedingly short since planting begins in the Southern States in early March. The 1961 program for feed grains must be announced early in March. Therefore, the following program, recommended unanimously by the committee, is presented as an emergency program for 1961.

The emergency program for 1961 is dependent upon voluntary participation, but the committee believes that a longer-range program involving mandatory participation features should be developed this year for operation in 1962 and thereafter.

II. THE 1961 EMERGENCY PROGRAM

1. Freeze existing CCC stocks, except for the operation of a payments-in-kind program.

2. Limit price support to producers who participate in the program.

3. Release stocks, if any, acquired under price support during the 1961 program back into the market during the following 12-month period.

4. Limit the program to corn and sorghum production except in areas where small grains predominate; in the latter areas the coverage of the program would be expanded to include small grains.

5. Establish a production base on each farm (in the case of corn, this would involve the 1960 acreage times the average of the 1959 and 1960 yield).

6. Require each producer, to be eligible for price support, to reduce his acres of corn and/or sorghum by 24 percent in 1961.

7. For the acres taken out of corn and/or sorghum production the producers would receive a conservation-practice payment equal to 50 percent of the gross value of the production on each acre, where the gross value is computed on the basis of the announced support price.

8. The land retired from corn and/or sorghum production must be placed in an accepted soil conserving practice and that land may not be harvested, pastured, or be employed in any productive use.

9. Price support for cooperators would be \$1.30 per bushel (national average) for corn, and equivalent prices for other feed grains.

10. Add a payments-in-kind feature to the foregoing program in which cooperators in the foregoing program are eligible to participate where:

(a) Cooperators could then receive payment-in-kind at a rate of two-thirds of that yield of each additional acre retired, and

(b) Cooperators could retire into a soil conserving practice a second 24 percent of their corn and/or sorghum acreage (as maximum, a program participant could retire to a nonproductive soil conserving use 48 percent of his corn and/or sorghum acreage).

III. AN ILLUSTRATION OF HOW THE PROGRAM WOULD WORK ON A SPECIFIED CORN-BELT FARM

Production and gross income under existing program

	Aeres 1960	Yield 1959-60	Production	Value at price-support level
		<i>Bushels</i>	<i>Bushels</i>	<i>Dollars</i>
Corn.....	60	50	3,000	3,180
Oats.....	20	40	800	400
Soybeans.....	20	20	400	748
Total cultivated crops.....	100			
Total value.....				4,328

Production and gross income under proposed program

	Aeres 1961	Yield	Production	Value at price-support level
		<i>Bushels</i>	<i>Bushels</i>	<i>Dollars</i>
Corn.....	45	154	2,430	3,159
Oats.....	20	40	800	2,492
Soybeans.....	20	20	400	2,920
Total cultivated crops.....	85			
Conservation use not harvested.....	15			
Conservation practice payment (750 bushels × \$0.65).....				488
Value of crops plus conservation payment.....				5,059

¹ Assuming land put to conservation use is less than average productivity and more intensive practices are used on remaining acres.

² Assuming 23 percent increase in price support, as is recommended for corn.

Result: The income of this hypothetical Corn Belt farm is increased 17 percent through a combination of higher prices and conservation practice payments as the corn production on this farm is decreased by nearly 20 percent.

IV. REQUIRED ACTION TO IMPLEMENT THE 1961 EMERGENCY FEED-GRAIN PROGRAM

1. Announcements of the program must be made early in March 1961.
2. The provision in the present law which ties price support on corn and other feed grains to a specific formula must be repealed or amended by congressional action.
3. The Congress would have to authorize the expenditure of \$525 million for use as conservation payments to induce farmers to participate in this voluntary type of program.

V. BENEFICIAL RESULTS OF THE PROGRAM

1. The gross income of the average feed-grain producer would be increased by about 15 percent.
2. The buildup of feed-grain stocks would be brought to an end with—
 - (a) The avoidance of an acute shortage of storage space in the fall of 1961 under another uncontrolled crop, and
 - (b) The avoidance of a further increase in needless storage charges.
3. Present holdings of feed grains by CCC would be reduced some by the payments-in-kind feature (it is impossible to say at the present time what the extent of participation in this phase of the program would be).
4. The Government costs of the recommended 1961 emergency program would be no greater and probably less than the costs of continuing the existing programs. The estimated costs of the feed-grain takeover by Government under price-support operations for the 1961 crop with the existing program run as high as \$600 million. To this must be added the costs of storage of these increased

holdings of feed grains by Government. This combined Government costs clearly exceed the cost of the conservation payments, estimated to amount to \$525 million under the recommended emergency program for 1961.

The CHAIRMAN. Thank you, Mr. Heinkel.

Mr. HEINKEL. Thank you.

Mr. Newsom, will you step forward, sir?

All right, Mr. Newsom, will you identify yourself for the record.

STATEMENT OF HERSCHEL D. NEWSOM, MASTER, NATIONAL GRANGE

Mr. NEWSOM. I am Herschel Newsom, Indiana farmer, chiefly corn farmer, and master of the National Grange.

Perhaps I should identify Mr. L. Alton Denslow, one of our legislative counsel.

The CHAIRMAN. Will you come forward; we might need your assistance.

Mr. NEWSOM. I am a little bit uncertain, Mr. Chairman, as to how I can make the best use of the time of the members of this committee. I have heard the hearings all day, and there are a great many comments that have been made that I would like to have the privilege of commenting on.

I suspect that I had better read portions of my prepared statement, however, with the understanding that it all goes into the record.

The CHAIRMAN. Yes; it will.

Mr. NEWSOM. And then, as your time will permit, maybe we can get to some of the points that I would like to call to your attention.

The CHAIRMAN. Would you prefer putting the whole statement in the record at this point, and comment on your statement briefly, and then—

Mr. NEWSOM. Fine.

Senator MUNDT. Comment on what you have heard.

Mr. NEWSOM. All right.

Senator MUNDT. We can read this any time.

The CHAIRMAN. Proceed.

Mr. NEWSOM. All right, sir.

I would like, first of all, to call the attention of the committee to the fact that we do support the President's position in calling for emergency legislation on this subject matter.

We do think that it is urgent that the action should be taken at the earliest possible date.

We do recognize some of the problems that have been called to the attention of this committee, but I do not believe that we of the Grange want nor do we want to encourage this committee to be a part of any procrastination that might, in my judgment, invite the probability of having to acquire additional storage capacity for, perhaps, as much as another quarter of a billion bushels of feed grain.

Now this, to me, underlines the urgency of trying to get together.

This, to me, underlines the necessity on our part of making some concessions.

This proposal does not conform entirely to the Grange position. But we tried to recognize that we probably are not going to get perfect legislation by my judgment or somebody else's judgment.

We have to be content to move in what we think is a sound direction, and we believe that this measure does that.

I think I should have to confess to you that there seems some confusion here, as I have interpreted the discussions, with respect to soybean support levels which, I assume most of the members of the committee, perhaps all of the members of the committee, know has nothing to do whatsoever with this bill. This was an announcement that was made by the Secretary last week, as I understand it, and it is not embodied in this bill in any way.

Senator MUNDT. Except it does have a very direct impact on how the bill is going to operate once we set it up.

Mr. NEWSOM. Yes. But I do not believe, I do not think, it is possible for us—well, it might be possible for the Congress to reverse that.

Senator MUNDT. It is part of the climate under which we have to consider the bill.

Mr. NEWSOM. All right.

Senator MUNDT. It operates one way with it and another way without it. We know the Secretary sets the price.

Senator HICKENLOOPER. I think it is definitely involved in the bill as a result of the Secretary's statement.

He is the one who brought it in the bill.

Mr. NEWSOM. It is not part of the bill.

Senator HICKENLOOPER. As I understand it is not part of the bill, but it is part of his authority, and he brought it into the bill this morning by saying this reduction out of corn would induce people to come into soybeans, and that would be the attitude they would take, so it is part of the emergency legislation.

Mr. NEWSOM. Any opinion I would express on it would be strictly a personal opinion which may have been formed since the proclamation last week or since having heard the discussion today.

I would say though that this might well fit into the category of trying to adjust incentives here, if that is the route that we are taking, and apparently it is, on this matter of a balance of production.

But the major point that I should like to make is that there are a great many features in this proposal that, as you will recall, Mr. Chairman, correspond very closely to the Grange feed grain proposal of 1958.

I think that these features would have unquestionably served us better in 1958 than they will now. Now we have increased difficulties. The problem is worse now than it was in 1958, and we must recognize that.

I am frank to say to you that nevertheless, as I have said in the interest of making a bad situation less bad or improving it, if possible, in the interest of preventing the possible necessity of having to acquire additional storage capacity to house the 1961 crop, we are prepared to support this particular measure.

I would say to you, frankly, that I think a good bit of the discussion today has clearly demonstrated that there would be real point to giving further consideration to the possibility of readjusting this combination of increasing the support level and, at the same time, making substantial cash and inkind payments for shifted or reduced planting.

The CHAIRMAN. Would you make that obligatory, combine it, that is, assuming that you want to——

Mr. NEWSOM. I do not think we can do it, if I understand your question, in this kind of an emergency program.

The CHAIRMAN. Well, the proposal I suggested was this: That, assuming we need a 30 percent acreage cut, and it requires X number of dollars to do that and X number of bushels of corn, devise it so that the producer will cut, whatever figure we fix, be it 25 or 30 percent, and then his payment will be both in cash and in a payment in kind, and forget about the option. I know this, in fact, I feel that if you let it remain cash obligatory and the other optional, why, there will not be too much paid in kind, in my judgment. It will be hard enough for us to put the program through if we combine both, but if you put it in cash I do not feel you will get too far with it with the Congress. I may be in error.

Mr. NEWSOM. Perhaps that is justification, if I understand what you have said, perhaps that is justification for the provisions as they now stand in the bill.

We have considered that but, very frankly, I share the apprehension, as a corn producer, that has been expressed here, that if you get up to, especially if you go up to, the \$1.30 support figure on corn, and I think there is some risk in the \$1.20 support figure, that you may unwittingly be offering more incentive to the noncooperators than I think we can afford to do in a 1-year emergency program of this kind. It is for this reason that even though, as I say, we are supporting the measure, and we do not want to infer otherwise—it is for this reason that I would like to suggest to this committee that if between this apprehension of making too great an inducement to the noncooperators, on the one hand, and the apprehension as to what the market situation might be in feed grains as the bill was originally drafted, on the other hand, too great a problem has been posed, and we are collectively incapable of reconciling that problem. I had interpreted the original draft to embrace freezing the current stocks and to imply that we would only authorize the marketing at less than the support level, the 1961 volume of production during this marketing year.

Senator YOUNG of North Dakota. Could I ask a question at this point?

Mr. NEWSOM. Yes.

Senator YOUNG of North Dakota. We presently have about 28 million acres in the soil bank program. If you got, say, 15 million more acres out of production as a result of this program and, say, another 10 million as the result of a new wheat program, there will not be many acres left that could be diverted to corn or other commodities, would there?

Mr. NEWSOM. I think that is right. I think it is important to keep that in mind.

What I am saying, Senator, is that I believe that in a 1-year emergency program of this kind, there is real justification for examining very carefully the concept of not only freezing the current stocks but freezing the support level at the current level and making any additional return that we might agree on, be that \$1.20 or \$1.25 or \$1.30 for corn and comparable levels for other grains, available in

straight cash payment in this 1-year program, so that we will eliminate the threat of market instability any further than it exists under the current program without this legislation because we would not be changing that support level.

Senator MUNDT. Do I understand from what you are saying that you would favor eliminating this sell-back clause to recapture the money which is paid out in cash and just make this a regular cash payment?

Mr. NEWSOM. Briefly what I am suggesting, Senator, is that we make supports at the current level available to cooperators only, and that if we agree on \$1.20 or \$1.30 return and make the difference between the current level of support and the return to be provided available in cash payments, we will avoid in this 1-year emergency program, keeping in mind that is what it is, any needless upset in the current livestock-feed grain balance structure insofar as it is possible to avoid it under an emergency situation of this kind.

Now I am trying to say that the statement of the Secretary, and testimony of other people before this committee, has prompted me to feel that this revision of section 3 which the Secretary proposed this morning might, in our judgment, well be modified to apply only to the 1961 crop volume without serious danger.

But I would like to urge that if that is done that that modification be limited only to those quantities and that current CCC stocks prior to 1961 should be frozen unless it is necessary to release them to prevent an undue price rise during this emergency program which, I confess, I think we should guard against as a potential, but is not very probable.

The CHAIRMAN. Don't you think if that is done, if it is frozen, that will act as a deterrent, I mean, that is going to serve those who will not comply? In other words, it will be assured that that price will be not less than \$1.05, and maybe \$1.20, maybe more, and induce them not to get into the program. In other words, we ought to do something here to get the noncompliers to comply if it is possible.

Mr. NEWSOM. I agree with you, and that is my purpose.

The CHAIRMAN. All right, let us do it in some way. I think it is important that we get somewhere around an 85 or 90 percent certain compliance, otherwise if you get it as low as 70 or below that, you might as well give up this program, in my judgment.

Mr. NEWSOM. I would say that I believe the Department and the task force committee have done an excellent job in trying to balance the cash and the in-kind payments in connection with a rather modest increase in support level.

I am sure that must have been their purpose, and I am inclined to think that even though we would have gone further in holding the support level rise down closer to the existing level, and we would have put even more emphasis on the cash payment, that this is a matter of judgment, and I am prepared to conform to the majority judgment in this thing. Therefore, we support the measure before the committee.

Senator HOLLAND. Mr. Chairman, just to put a question—

The CHAIRMAN. Yes, Senator.

Senator HOLLAND. You speak of freezing the present stocks and making the thing operate on production for this year standing by itself; that is what you favor?

Mr. NEWSOM. Right.

Senator HOLLAND. Would there be any conditions at all under which the Secretary would be permitted to sell out of those frozen stocks?

Mr. NEWSOM. Yes.

Senator HOLLAND. On the current market?

Mr. NEWSOM. Yes, I think—

Senator HOLLAND. What would they be?

Mr. NEWSOM. Well, I think we would have to make it—this depends on where you establish the support level for cooperators, that is the basic point.

If you establish support levels for cooperators at the current level and provide the incentive for compliance with this program on another basis by increasing the cash payments, then I think we ought to authorize the Secretary to release Government stocks at any time that they can be released without interfering with that support level.

Senator HICKENLOOPER. By current support level you mean \$1.06?

Mr. NEWSOM. Yes.

Senator HICKENLOOPER. I mean around that.

Mr. NEWSOM. As is provided prior to the possible enactment of this measure.

And I think if we—it is obvious that if we—intend to go to a \$1.20 support level on corn and a comparable level on other commodities, then, in all probability, we are going to have to prevent the release of any current Government stocks during this 1-year emergency period at a level that would interfere with the realization of that \$1.20 figure.

Senator HICKENLOOPER. I will not join in restating, if I have understood it, the point that Senator Ellender just brought up a while ago. If you do that, making this year's production stand on its own, and shooting at the \$1.20 support price as being the market price, doesn't that constitute an even greater incentive to people to overplant and produce more?

Mr. NEWSOM. That may be. I would say though that we have a lower support figure in prospect here than we have ever operated under, and we have a far more attractive payment on the acres to be diverted than I have known, especially for those of us who might elect to go into the second 20 percent of our feed grain acres diversion, and I have no real reason to take any sharp issue with the estimates as made by the Department as to the compliance under this scale.

I am only saying that we have discussed this one long and hard, and I do not want us to be involved in a program here that will result in additional incentive to the noncooperators, and I have reached the conclusion that maybe we were unduly apprehensive in our earlier discussions, but I did simply want to register those apprehensions with this committee.

Senator HICKENLOOPER. Well, Mr. Newsom, how about the farmer who has, and you have got a lot of them out your way and out my way, how about the farmer who is engaged in good land practices and has voluntarily reduced his acreage, and so on. Isn't he caught short here on this thing if he is to go on his 2-year plantings of the last 2 years, and he has elected to put his farm into conservation situations where he did not plant feed grains maybe for a time? I have had a lot of letters on that where farmers will say, "I have been trying

to be a good farmer, I have been trying to operate my farm on a conservation basis that is sound, and here I am caught now. If I participate in this program I have already got a reduced corn acreage voluntarily, and I will be reduced further."

Mr. NEWSOM. I would say two things in reply to that, Senator:

First of all, in recent years most of our corn area, including the periphery, has increased feed grains and corn acreage about as far as it is reasonable for us to do it; and, secondly, I believe that the statement you make, even though it has some validity, has much less validity on a 1-year emergency adjustment program than it would otherwise.

I think we would have to analyze that one and make some provision for compensation in this case. Maybe we ought to even make some provision in the act for administrative jurisdiction in this area, even in a 1-year program. But I think we have to make up our minds that if we do not want to invite the possibilities that I think are inherent in the existing situation, then we are going to have to make some concessions in this kind of an emergency program. It is just about that simple.

Senator HICKENLOOPER. I think there is a lot of validity in that argument. But I just assume that out your way it is the same as it has been out our way the last couple of years. We have had just any number of farmers who have planted from one border of their farm to the other, planted corn.

Now, they have got a base in the last 2 years, and if a fellow has got 160 acres he may have a base of 100 acres of corn that he has planted in the last 2 years and, therefore, he cuts that 20 percent or 40 percent.

The fellow next to him may have 160 acres that he has got up in fine shape, but he has got a lot of it in pasture, he has got a lot of it in grass and a lot of it in other things as conservation measures, and a comparatively small amount of corn as good land practice.

Now, that fellow, if he comes in, is penalized because, let us suppose, he only has got 25 acres of corn he has raised in the last 2 years, a fine farm, but he just elected to raise only that much corn.

If he comes into this program he is going to have to take his cut out of an already reduced acreage, and the fellow who has disregarded this corn program and has overplanted, is going to come in and get an advantage on it.

Mr. NEWSOM. I do not believe that situation is going to be made any worse under this proposal.

Senator HICKENLOOPER. I am not suggesting that. I am suggesting the advantage to the fellow who has disregarded the programs in the past and planted as much as he could. Under this program, he is going to come in and get the gravy because he has established that base over the last couple of years.

The CHAIRMAN. In justice to the one who has——

Senator HICKENLOOPER. As compared to the fellow who has tried to use good practices.

Mr. NEWSOM. I am trying to think of some illustration of the possibility that you are talking about. I do not know that we are going to be able to find very many where you could not administer this program in fairness to all of those people.

Senator HICKENLOOPER. All I am talking about is I have letters in my office today that come in from just these people, and I happen to know a few just here and there.

I know a few farmers within the last couple of years or so have just put everything in corn, and they have got a base of almost their entire farm in corn.

I know one individual, for instance, I think, who has got 220 acres which he does not live on, and he does not feed very much, but he just put the whole thing in corn, everything is in corn, maybe 5 acres short of that entire amount.

I mean, we hear examples, just countless examples, of where that has happened.

But the good farmer, the farmer who follows good practices, very often has cut down his corn acreage from time to time, and he has been caught in the bind.

Mr. NEWSOM. I think your question would be much more serious if we were just talking a corn program, for example. But I would call the Senator's attention to the third section of the very early portion of the bill in which it says:

"The Secretary shall require as a condition of eligibility for price support on the 1961 crop of corn, grain sorghums, and any other feed grain which he may designate that the producer shall participate in the special agricultural conservation program for 1961 for feed grains to the extent prescribed by the Secretary."

Now, it may be that that is not broad enough for the situation that you visualized, but I believe it will suffice in far more of the cases than maybe your question supposes.

Senator HICKENLOOPER. Well, what would be wrong in setting a broader base or broader definition on historic planting of corn?

Mr. NEWSOM. I believe we might improve it.

Senator HICKENLOOPER. In other words, manifestly if you limit it to the last couple of years you will catch a lot of people who will get an undeserved slap in this thing if they want to go into it; and it will be a windfall to people who have overplanted in the last 2 or 3 years.

Mr. NEWSOM. I would not be prepared right now to suggest a modification of the language that I would be sure could improve it, but I do think that there is a possibility of administration under that section even as it stands that might be very satisfactory for a 1-year program.

The CHAIRMAN. Any further questions?

Senator HOLLAND. What, Mr. Newsom, from your long experience as a producer of corn, is now the average cost per bushel of producing corn on good Indiana corn land?

Mr. NEWSOM. Well, I am embarrassed to confess to you, Senator, that I would not know how to give you a figure on that now without having to ask what rate of return you would presume to be equitable on capital investment.

Senator HOLLAND. I would not figure that at all, but just how much the farmer would have in his crop per bushel when he produced it?

Mr. NEWSOM. Well, that would very tremendously.

In my case, for example, my cost as a landlord in a sharecrop operation since I have been over here, and where a good German farmer

who used to work for my father, by the day, is providing the labor and half of the fertilizer cost, is going to be substantially different than it was.

I do not know. If you are asking for an actual production cost on the average of all circumstances I guess I would have to concede that I am not prepared to give you the figure.

I would call your attention to the fact that the President's Economic Report to the Congress on January 18 pointed to the fact that the actual equity in the agricultural balance sheet declined despite inflationary effects this time for the first time in some 30 years.

So I would say that the price, the composite price, of all agricultural commodities is not providing a return of full costs, even discounting any return on investment capital.

Senator HOLLAND. Well, I request that you supply, if you can, the figures, showing the average cost per bushel of production on a farm in good corn land of Indiana with which you are familiar. I am sure that is available.

Mr. NEWSOM. We would have to get it from sources other than our own, but we will endeavor to comply, Senator.

Senator HOLLAND. I would appreciate it.

Estimate of cost of producing corn in Indiana, 1960

	<i>Cost per acre</i>
Seed: $\frac{1}{8}$ bushel per acre at \$11.50 per bushel.....	\$1. 90
Fertilizer: 250 pounds per acre of 10-10-10 at \$3.25 per hundredweight..	8. 15
Spray for corn borer control at approximately \$0.50 per acre.....	. 50
Tractor fuel (6 hours at 1.5 per hour at \$0.20 per gallon).....	1. 80
Oil and grease (\$0.50 per acre).....	. 50
Tractor and machinery repairs.....	2. 25
Hired labor (pro rated over total acreage at \$1).....	1. 00
Shell and delivery to market at \$0.10 per bushel on approximate 50-bushel-per-acre yield.....	5. 00
Total cash cost per acre.....	21. 10
Real estate tax per acre.....	4. 60
Operator and family labor (approximately 7 hours per acre at \$1).....	7. 00
Depreciation of farm machinery (pro rated per acre).....	7. 00
Interest charges for land and machinery (per acre) (\$400 per acre times $4\frac{1}{2}$ percent interest).....	18. 00
Overhead costs chargeable to corn acreage, including interest on operating loans.....	5. 00
Total cost per acre.....	62. 70
Assuming a 60-bushel-per-acre yield, this would result in a cost per bushel of.....	¹ 1. 04 $\frac{1}{2}$

¹To be sure we have realized a somewhat higher yield in recent years than the 60 bushels on this particular type land, but in 2 of the last 3 years in our own river bottoms farm-land operation we have lost acres of corn in early July, which has reduced the total harvest so that actually the 60-bushel-per-acre yield is substantially accurate and even though over many years of the past our flood loss has been less than it has been in recent years, there seems little reason to assume that these losses may not continue until substantial investment, either locally or in the whole watershed can be made to reduce the losses.

The CHAIRMAN. Any further questions? We thank you very much, Mr. Newsom.

Mr. Newsom's statement will be inserted in the record at this point.

(The prepared statement of Mr. Newsom follows:)

The Grange supports the position taken by the President in calling for an emergency feed grain program to cover the 1961 crop. We join in asking for the enactment of the measure he submitted to provide such a program.

As I'm sure the members of this committee know, any action taken to affect this year's corn and feed-grain crops must be taken promptly. Farmers need to know quickly whether there are to be any changes in this year's program and what those changes will be. Even if legislation were enacted today, U.S. officials would be faced with a very difficult task in developing administrative details of the program and to get the information to the farmers before planting time. We emphasize, therefore, the urgency and the need for the Congress to do everything possible to expedite action.

The problem of corn and feed grains has, for a number of years, been one of the major problems of agriculture. It has grown more acute each year. I know that it is not necessary to review at any length for this committee the facts concerning the production and supply of corn and other feed grains. I think that the realization is widespread that we are confronted with a very serious problem which will require emergency treatment if action is to be taken in time to affect this year's crop.

Total supplies of feed grains have set a new record high for the seventh straight year. Even though there has been substantial increase in utilization in recent years, utilization has constantly fallen below production, and carryover stocks have more than trebled from 20 million tons in 1952 to 75 million tons this past year. Total carryover is now almost half our total annual feed grain requirements for domestic use and for exports, and a substantial part of our exports represent disposals under Public Law 480 and sales with assistance through subsidies. It has been estimated by the Department of Agriculture that there will be a further addition to carryover stocks of 5 to 10 percent over the 75 million tons carried over this year if the present program is continued. Concurrently with the constant buildup in production and stocks in recent years, there has been a constant lowering of the price-support level. The price-support level has been lowered from \$1.62 per bushel for cooperators in 1954 to \$1.06 to all producers in 1960. This progressive lowering of the support level has not served to reduce acreage or to stop the buildup in stocks. We find ourselves in substantial agreement with the following statement contained in the President's letter to the Speaker of the House requesting emergency feed-grain legislation.

"The existing program has failed. It has resulted in the accumulation of a burdensome and dangerous surplus, mainly of commodities for which there is no adequate outlet even under our expanded programs of providing food for those in need. At the same time, it has failed to protect farm income, and it is threatening to drive down the prices farmers receive for hogs, cattle, poultry and eggs, and milk to disastrous levels. If this program is allowed to continue in effect for this year's crop, the stocks in Government hands will reach even more alarming proportions, a virtually unmanageable storage problem will be created, farm income will continue to suffer, and large amounts of Government funds will be needlessly expended. Immediate action is required to prevent further deterioration of this situation. In order to be effective with respect to this year's crops, a new program should be authorized by March 1."

We believe that corrective action is long overdue. As much as we might prefer a measure which would be designed to provide a more permanent solution to the feed-grain problem, we recognize that in view of the time element involved whatever action is taken must be of an emergency character and directed to the 1961 crop. Furthermore, whatever action is taken must be kept relatively simple if we are to expect farmers to understand it and accept it between now and planting time.

The emergency measure submitted by the President upon recommendation of the Secretary of Agriculture seems to us to be designed to stop the buildup in stocks without further impairing farm income plus the advantages to farmers and the country as a whole of diverting additional areas of cropland to conservation uses. If successful, it would stop and reverse the present trend of producing more and more for less and less and constantly adding to the surplus. It will reverse the concept that you can restore or achieve a balance by simply driving down the price or income to producers to a point where you will get the necessary adjustments.

Although the Grange recognizes that many of the details of the proposed measure will necessarily have to be provided by administrative action, the measure seems to us to encompass fundamental principles which we believe to be sound and constructive. We believe it may also provide a starting point or a base upon which to build a permanent solution to the feed-grain problem.

This measure has the same objective as and encompasses many of the principles of the feed-grain program which was developed by the Feed Grains Committee of the National Grange and which we presented to this committee in 1958. At that time, the supply and carryover had not reached the critical proportions which now exist, but we were producing more than we were using and constantly adding to the stocks. Stocks were then twice as large as we believed were needed to provide an adequate carryover. We recognized the need then, which is even greater today, to bring feed-grain production into balance with requirements and at the same time gradually reduce the excessive supplies already on hand without further depressing farm income. Our problem is the same today as it was then except that it is more acute and more difficult. The basic principles employed in the proposed program are similar to and in harmony with many of the recommendations which the Grange made in 1958, including a 20-percent reduction in feed-grain acreage, the transfer of such acreage to a conservation use where it could not be utilized for harvest or pasture, a payment in negotiable certificates half redeemable in stocks and half in cash, and the stabilizing of the level of price supports with no price support being available to any noncooperating producer. We mention this similarity between the program developed by the Grange Feed Grains Committee and the proposed 1961 emergency program as further evidence of our belief in the soundness of the principles embodied in the proposed emergency program.

We want to commend the Secretary of Agriculture for his efforts to put a feed-grain program into operation for the 1961 crop, and the committee for its prompt consideration of this proposal.

The CHAIRMAN. At this point I would like to read into the record an excerpt issued by the U.S. Department of Agriculture on this date.

"Just released by the Department is the information that farmers placed over 224 million bushels of 1960 crop corn under loan in January. This is the highest amount ever placed under loan in any month in the history of price supports. This makes a total of 376 million bushels of 1960 crop corn now under price supports, which is 80 million more bushels than 1959.

"Other feed grains are also going under loans in record amounts."

Is Mr. Garver here?

Mr. GARVER. Yes, sir.

The CHAIRMAN. Will you step forward, Mr. Garver, please, sir?

Will you kindly identify yourself for the record and tell us about yourself.

STATEMENT OF WALTER B. GARVER, MANAGER, AGRICULTURE DEPARTMENT, CHAMBER OF COMMERCE OF THE U.S.A.

Mr. GARVER. Yes, sir. I am Walter B. Garver, manager of the agriculture department of the Chamber of Commerce of the United States.

Mr. Chairman, we appreciate this opportunity to present our views on behalf of our agricultural members who are producers, processors, users, and so forth of feed grains and their related products, directly or indirectly affected by the proposed program covered by S. 993.

First, we would like to say as strongly as we can that we are emphatically opposed to section 3 of this bill. The authority of the Secretary of Agriculture to sell unrestricted quantities of Commodity Credit Corporation stocks into the markets at unspecified or indeterminate prices is an authority that no official or agency should have. We doubt that the Congress itself would undertake such a responsibility.

We understand that this section is defended on the ground that this is only a temporary emergency program. We do not share the view that the feed grain emergency is of such character that this kind of authority with its capacity to destroy the free grain marketing system is even remotely justified.

This authority gives to the Secretary the power to set both floors and ceilings on feed grains, or in other words to peg grain prices absolutely. This would attempt to substitute the fallible judgment of one man or a small group of men for that of millions who buy and sell and whose actions collectively make intelligent and effective price-making possible.

The marketing structure and facilities for feed grains have already been materially impaired by the presence and operations of the Commodity Credit Corporation. The authority in section 3, if granted, would certainly further cripple the grain market system.

The chamber favors moving toward guidance of the economy by reliance on market forces, rather than attempting to set them aside or destroy them.

Senator PROXMIRE. Mr. Chairman, I hesitate to interrupt the witness, but I wondered if he would modify his comment in view of the amendment that the Secretary submitted to the committee this morning to section 3 in which he changed this section very materially?

Mr. GARVER. No, sir.

Senator PROXMIRE. You would not?

Mr. GARVER. No, sir.

Senator PROXMIRE. You would have the same view?

Mr. GARVER. Yes, sir.

Senator PROXMIRE. Thank you.

Mr. GARVER. Even if this authority were to be only temporary as an emergency device it would leave permanent damage to the marketing agencies. Moreover, it sets a precedent we believe neither the public nor the Congress will want to see established.

The Secretary of Agriculture has himself said that this authority is essential to any possibility of this proposed program working. This is so because a distinct differential between market prices and support prices is necessary as an inducement to producers to comply.

It is our understanding that the Secretary of Agriculture has offered a proposed amendment to section 3 which would limit the CCC resale to the present support level rather than "market prices" as contained in the bill draft. We do not believe this makes the authority any more sound nor any less dangerous and damaging. It seems to us that this amendment weakens the coercive power of the authority to get compliance and therefore limits the possible effectiveness of the special program in achieving the ends sought by it.

Turning now to other provisions of the bill, we note that paragraph (3) of section 1, page 2, beginning line 4, provides only general authority to the Secretary to require participation in a special agricultural conservation program as a condition of eligibility for the proposed higher feed grain supports. In supporting documents and public discussions this has been defined as a requirement of a diversion of 20 percent of the 1959-60 feed grain acreage. While the bill requires higher price supports for specified feed grains, this paragraph leaves

it to the Secretary to designate which feed grains other than corn and grain sorghums shall be subjected to acreage diversion requirements.

In the discussions of the implementation of the program of which we have been aware there appears to be no determination or commitment by the Secretary as to whether or not diversion would be required on feed grains other than corn and grain sorghums. We would point out that if no diversion is required on the other feed grains, this provides an open end in which with higher support prices on oats, barley, and rye unrestrained expansion of output could occur. This would negate the gains proposed to be made for total feed grain production, and merely shift the burden from corn and sorghums to the other grains.

On the proposal to divert feed grain acreages, we believe that because of the competitive character of the farm business acreage diversions do not and cannot achieve the effects of trimming production sought for them. Such diversion frees resources for concentrating and intensification of production on the acreages unreserved. This is true even where the acreage is restricted without direct compensation for the diversion.

This bill authorizes the Secretary to make payments in the name of agricultural conservation payments for the acreages diverted. Thus a producer would have funds for intensifying yields on unreserved acreages from two sources: (1) the cash out-of-pocket costs that could be saved by not producing on the diverted acres; (2) the payments in cash or in kind convertible to cash to be made for the diversion.

The following table illustrates the application of the program as it has been discussed publicly to a typical Corn Belt cash grain producer with 100 acres in corn in 1959 and 1960 and a yield of 71 bushels to the acre.

(The table referred to follows:)

Corn Belt cash grain producer, 100 acres in corn, yield 71 bushels

	Under present program	Under proposed program		
		No increase in yields on undiverted acreage	Yield increase 5 percent	Yield increase 10 percent
Total crop (bushels).....	7,100	5,960	6,258	6,554
CCC loss of resale at 15 cents.....		\$894	\$939	\$983
Investment in excess stocks \$1,177.				
Diversion payments.....		1,022	1,022	1,022
Government outlay for the proposed program.....	¹ \$588	1,916	1,961	2,005
Sales of corn.....	² 7,455	³ 7,152	³ 7,510	³ 7,865
Diversion payments retained.....		1,022	1,540	1,250
Cash out-of-pocket savings on diverted acreage.....		760		
Gross income.....	7,455	8,934	9,050	9,115
Difference in income over present program.....		1,479	1,595	1,660

¹ Assumes loss of $\frac{1}{2}$ on investment.

² At \$1.05.

³ At \$1.20.

NOTE.—The corn production "diverted" in each of the 3 cases would be 1,140 bushels. This accepts the USDA assumption that 80 percent yield land would be diverted.

Two relationships may be pointed out in the table. The first is that under the stimulus to intensify, the producer, after this program, would be experienced in a capacity to produce 7,400 bushels on 100 acres if he increases his yield on the undiverted acres 5 percent, and 7,700 bushels if he increased his yield 10 percent on undiverted cornland. The national yield per acre of corn has increased an average of 6 percent per year during the last 5 years.

The second relationship is that the Federal outlay is \$1,916 to produce a hypothetical improvement of \$1,479 in his income without any increase in his yields—\$1,961 to produce an increase of \$1,595 if his yields go up 5 percent on undiverted acres—and \$2,005 to get an increase of \$1,660 if his yields rise 10 percent. I am sorry you do not have the table in front of you, but we hoped to get those up here.

The CHAIRMAN. But that will be in the record.

Mr. GARVER. Turning now to the application of the proposed program to the total corn production in the Nation, I should like to illustrate the way we believe the proposed program would affect costs and the hypothetical income gains.

Again, Senator Ellender, I have a table which summarizes on the basis of expected 1961 crops, the assumption of no change in yields under the proposed program, a supposed 5-percent increase on yields of reserved acreage, and an increase in yields of 10 percent.

The CHAIRMAN. That table will be put in the record at this point.

Mr. GARVER. Thank you.

(The table referred to follows:)

[All figures in millions]

	Present program	Proposed program		
		No change in yields	5-percent increase in yields on undiverted land	10-percent increase in yields on undiverted land
Estimated 1961 crop.....	\$4, 427	\$3, 931	\$4, 061	\$4, 191
Resale by CCC into markets.....		2, 603	2, 603	2, 603
Sales by noncompliers.....		1, 328	1, 328	1, 328
Utilization.....	3, 931	3, 931	3, 931	3, 931
Stock buildup.....	496		130	260
CCC investment in stock buildup, at \$1.48.....	(734)		(192)	(385)
Program costs:				
Loss of ½ CCC investment.....	367		96	192
CCC loss on resales, at 15 cents.....		390	390	390
Payments for diversion.....		446	446	446
Total estimated cost.....	367	836	932	1, 028
Hypothetical income effects:				
Corn sales, at \$1.05.....	4, 648			
Sales by compliers, at \$1.20.....		3, 124	3, 280	3, 436
Sales by noncompliers, at \$1.05.....		1, 394	1, 394	1, 394
Retained payments.....		446	700	580
Retained cost savings.....		360		
Total.....	4, 648	5, 324	5, 374	5, 410
Difference in hypothetical income between present program and proposal.....		676	726	762

Mr. GARVER. Thank you.

I am sure I do not have to say that these figures are only illustrative of the relations between probable costs and hoped-for income benefits that we believe could be expected to exist. However, I believe they are dependable enough to serve as red flags warning us to go a little more slowly in approaching legislative remedies to the current feed grain situation.

The estimates are oversimplified because only corn was treated. The introduction of effects on other feed grains and on soybeans—a part of the Secretary's proposal—multiply the complexities of making such estimates, and require that specific assumptions be made that only experience under the actual operation of such a program could disprove or verify. They are oversimplified also in that they assume that the market price would be the support price of \$1.05, thus disregarding the effects of other market prices on utilization of corn, and on the production price of livestock and livestock products by those farmers who are feed buyers and users.

The estimates are generous in the sense that they credit income effects that are probably larger than would be achieved under such a program were it put in operation. This again, depends in part, on whether the Secretary would and could, under conflicting pressures, stay within the limit proposed in his amendment to keep the market price at support level.

The figures are conservative in some respects. For example, they assume no increase in yields per acre by noncompliers, and no new corn plantings on acres not now in corn or feed grains.

Furthermore, since they assume the market price at the support level, they do not take account of the higher costs of the programs that would result if the market price were below the support level.

Now, in order to make sense out of what I have just said, Senator Ellender, I ought to say, in summary, two or three sentences as to what these tables seem to indicate.

Under the proposal as in the legislation, and as supported by other documents, it is evident that it aims for the utilization of 3,931 million bushels.

Under the present program, there would be an accumulation of 496 million bushels added to stock buildup.

This, at the present average cost of \$1.48 would require an investment of \$734 million, on which it is our assumption that there would be about one-half loss over a period of time or one-half recovery.

Senator PROXMIRE. How do you assume that? What is the basis?

Mr. GARVER. On the experience of Commodity Credit in the past disposals in terms of their net costs and investment.

Senator PROXMIRE. You are figuring all costs?

Mr. GARVER. Yes.

Senator PROXMIRE. You are figuring the average—you see the reason this puzzles me, if I may interrupt at this point with a question—

The CHAIRMAN. Surely.

Senator PROXMIRE. Is because the basic argument made by the Secretary, and one of the reasons why this seems to have some appeal is

because if you keep, say, a million bushels out of inventory, unless you assume that 10 years from now you will not have a surplus, you can make the assumption that you are going to save on storage, you are saving on interest, you are saving on handling costs during this period.

Now, maybe that assumption is unsound, and if it is I wish you would point out how.

Mr. GARVER. I think you would have to recognize, at least it would be news to me if there has ever been any corn kept in storage for 10 years.

Senator PROXMIRE. It does not have to be the same bushels. I am talking about whether or not if you have during this whole 10-year period a surplus of corn.

Mr. GARVER. Well, Senator Proxmire, in my judgment that is stretching the thing in order to make the costs look big, and I do not think they did it deliberately.

Senator PROXMIRE. Why is it stretching it? Are you assuming we will not have a surplus during this period?

Mr. GARVER. I am assuming that if you put 496 million bushels in at \$734 million under a commitment investment, that will do as well in 10 years as we have in the last 5 or 6 under the disposal program, and that is recover about half of your investment and costs.

Senator PROXMIRE. Well, go ahead.

Mr. GARVER. Under the proposed program, assuming no changes in yields on the unreserved acres, the total cost would be \$836 million, made up of \$446 million, which we estimate to be the payments for diversion, and \$390 million, the 15 percent per bushel loss on the sell-back of 2,600 million bushels that would be necessary in order to turn corn over and keep in balance.

Senator HICKENLOOPER. Give me those figures again, please.

Mr. GARVER. A cost of \$836 million made up of \$446 million of payments for diversion, and \$390 million representing Commodity Credit loss on resale of 15 cents on 2,603 million bushels.

Senator HICKENLOOPER. Thank you.

Mr. GARVER. If we have a 5-percent yield increase on undiverted acreage this would rise to \$932 million; and on a 10 percent increase on the undiverted acreage in the 70 percent compliance it would be \$1,028 million.

Now, I have set down what I call hypothetical income effects under the four situations: under the current program, under the proposed program with no increase, and under the two assumptions of 5 and 10 percent increase in yield.

Under the current program, of course, there would be the sale of 4,427 million bushels at presumably \$1.05 or \$4,648 million.

Under the program as proposed, and no change in yield, this would be \$5,324 million hypothetical gross income.

It rises slightly to \$5,374 million for the 5-percent increase and \$5,410 million for the 10-percent increase.

This estimate is made up, first of all, of sales by the compliers at \$1.20, \$3,124 million; sales by noncompliers at \$1.05 at \$1,394 million;

retained payments of \$446 million; and retained cost savings of \$360 million.

To simplify this down to a meaningful comparison, the differences between what the income would be, gross income would be, under the current program, and the hypothetical gains, as I have constructed them here under the three alternatives of this proposed program, is that you would get \$676 million more gross income under the program with no change in yields; \$726 million with the 5-percent increase; and \$762 million if the yield went up 10 percent on the unre-served acres, the point here being that this program, with no change in yields, would call for an outlay of \$836 million, and in order to get an income of \$676 million.

A 5-percent increase in yield would give \$932 million costs for \$726 million in income gain; and, of course, \$1,028 million for a 10-percent increase to get \$762 million.

I think the estimates are generous in the sense that they credit—

Senator HICKENLOOPER. As I understand this roughly, this is not a comparative figure, but your position is we would be spending \$1 to get back 57 cents?

Mr. GARVER. I do not put it quite that extreme, Senator.

Senator HICKENLOOPER. Well, I understood you to say that the cost is so much and we would get back so much.

The CHAIRMAN. You get less than it costs.

Senator HICKENLOOPER. You would get back actually less, the point you are trying to make is you would be getting back less than you would spend.

Mr. GARVER. Well, I have said it more briefly, and I will say it orally, if I read you the sentence I have on it here, if I can find it in just a minute.

Let me proceed, will you excuse me, until I come to it.

In summary, the national chamber finds it imperative to oppose S. 993 because it requires the delegation to the Secretary of Agriculture powers over the feed grain and livestock economy that will cripple if not destroy the market agencies and facilities, and because it depends for its success, according to its proponents, upon its achieving one pattern of relationships (70 percent compliance, for example) among several that are possible under it. Under it the Government would become for all practical purposes the market for corn with what should be the market place subject to the manipulation of the Government in order to achieve the ends of that program.

Since the costs to the Federal Government and the taxpayer would be higher under this proposal than under the existing program we believe that the only claim that can be made for this proposal is the alleged improvement in incomes of feed grain producers its proponents believe would result. As such our estimates force us to conclude that this amounts indirectly to an income transfer to some feed producers largely if not entirely at direct public expense.

We feel that the principal motivation for this proposal is the otherwise commendable desire of the Secretary to show that prompt action can be taken to deal with a problem. With the planting season prac-

tically upon us there is great haste, one might even say panic, to get something through the Congress within days. We submit that the whole area of the feed and livestock economy is too complex for such hasty and potentially harmful experiment, even on a 1-year emergency basis.

We urge therefore that this committee reject this proposal in favor of more careful and comprehensive study by the committee, and the interested producers and users and related affected, and by the Department of Agriculture itself.

The CHAIRMAN. Any questions?

Senator HOLLAND. Do your records and files indicate the cost per bushel of the production of corn in the various parts of the Nation?

Mr. GARVER. Senator Holland, I did dig into the cash grain area of the Corn Belt, and I recognize the difficulties in pinning these figures down precisely, but so far as I can tell the costs—these would be 1959 figures—the average cost was in the neighborhood of 80 cents, and the marginal costs about 53 cents. By that I mean you have got your capital and you are stuck, so to speak, and here you are, and if you are going to spend 53 cents to get a dollar back in corn——

Senator HOLLAND. In other words, the difference between 53 and 78 cents is expense that you are going to go to anyhow?

Mr. GARVER. That is right.

Senator HOLLAND. And 53 cents is the added expense incurred to produce a bushel of corn.

Mr. GARVER. That is right. You spend 53 cents to get a bushel of corn.

Senator HOLLAND. The information I have had from the South where we have to use a little more fertilizer than is used in some other more appealing areas for corn production is that it costs us between 75 and 78 cents to produce a bushel.

Mr. GARVER. The average cost, you mean?

Senator HOLLAND. Yes; this average cost.

Mr. GARVER. This would be close to the Corn Belt figure.

Senator PROXMIRE. If I might, Mr. Chairman, at this point if I could ask the witness to make available for the record all the assumptions on which this is based, including the return on capital, the cost of labor, and so forth——

Mr. GARVER. Yes.

Senator PROXMIRE (continuing). It would be very interesting.

Mr. GARVER. Yes.

The CHAIRMAN. Have you got that available now or would you want to furnish it for the record?

Mr. GARVER. I do not have it with me; I will furnish it, Senator Ellender.

The CHAIRMAN. Very well; and it will be put in the record at this point.

(The information referred to follows:)

ESTIMATE OF COST OF CORN ON CORN BELT CASH GRAIN FARMS, 1959¹*Allocation of total cash expenditures*

	Total	Crops	Livestock
Feed purchased.....	\$518	0	\$518
Livestock purchased.....	42	0	42
Other livestock expense.....	89	0	89
Fertilizer and lime.....	996	\$996	
Other crop expense.....	492	492	
Machinery.....	2,965	2,372	593
Farm buildings, fences.....	654	425	229
Labor hired.....	347	267	80
Taxes.....	1,528	1,177	351
Other.....	117	90	27
Total cash expenditures.....	7,748	5,819	1,929
Charge for capital ²	3,654	2,766	888
Total.....	11,402	8,585	2,817

¹ Based on data in "Farm Costs and Returns," U.S. Department of Agriculture, Agricultural Research Service, Agricultural Information Bulletin No. 230, June 1960, p. 31.

² Capital charge calculated as follows:

Capital item	Total	Crops	Livestock
Land and buildings investment.....	\$54,500	\$41,900	\$12,600
Machinery and equipment.....	7,700	5,900	1,800
Livestock.....	3,360		3,360
Crops.....	7,520	7,520	
Total.....	73,080	55,320	17,760
\$55,320 times 5 percent equals \$2,766 for crops.			

Allocation of crop costs as between crops on basis of value of crop

Crop	Acres	Yield	Total crop	Average price	Value	Percent
			<i>Bushels</i>			
Corn.....	98.4	70.7	6,957	\$0.98	\$6,818	66
Oats.....	32.6	34.8	1,134	.62	703	7
Soybeans.....	49.8	27.8	1,384	2.04	2,823	27
Total.....						100

66 percent of the total crop expense of \$8,585=\$5,666.

Average cost of corn, \$5,666 divided by 6,957 bushels=\$81.4 cents.

Marginal costs (out-of-pocket costs) for crops:

Fertilizer and lime.....	\$996
Other crop expense.....	492
Machinery.....	2,372
Farm buildings, fences.....	425
Labor hired.....	267
Other.....	90
Total.....	4,642

Taking 66 percent for corn=\$3,064.

Dividing \$3,064 by 6,957 bushels=44 cents.

Senator PROXMIRE. Could I just follow up, I have a question on this. The witness, as I understand it, emphatically denies, and the main burden of his argument is that this program not only will not reduce costs but will increase them to the Government, No. 1; and he said the only benefit would be to increase farm income, and that would be confined to a few feed producers.

Now I am wondering if the second point made by the Secretary that the program will reduce Government stocks, why would this not be true if there is any compliance at all?

Mr. GARVER. I am sorry, I did not hear the last.

Senator PROXMIRE. Would not this reduce stocks? I say, one purpose of this program is to reduce the surplus. Now, why, in your judgment, would it not be true that if there is any compliance, even if it is a very disappointing compliance, would there not be a reduction in Government stocks as compared with doing nothing?

Mr. GARVER. Well, I understood, Senator Proxmire, that the purpose of freezing the CCC stocks was to prevent them from coming on the market so that the stocks that are going to come on the market from current production are going to be turned over at the \$1.20 price of corn being supported.

Senator PROXMIRE. What I am talking about, if there is going to be any compliance, there would be a reduction, and it would be a reduction in the production of corn, and the result would be there would be less of this coming on the market, at least, and the increase in the surplus, at least, would be reduced by this amount.

Mr. GARVER. It does not work out that way when you sit down and see what the response to the—in other words, at \$1.20 you would get even with the 20-percent diversion.

Senator PROXMIRE. \$1.20 to compliers only.

Mr. GARVER. Yes; even if the 70-percent compliance and \$1.20 to them on what amounts to 105 percent yield acreage, you tend to produce more than the equilibrium that will give you \$1.20.

Senator PROXMIRE. If the Secretary would administer this to reduce the production, he could keep the market price at \$1.05 or \$1.06. That is present market. Now, why would there be any more production. He would get a reduction on the part of the complier. I cannot understand why there would not be some reduction in production unless you have some new facts.

Mr. GARVER. I show a reduction in production. I am sorry you do not have the table.

Senator PROXMIRE. You do show the reduction, so there would be this benefit, there would be a reduction in the production which was otherwise in the surplus that we would have if we did not have a program.

Mr. GARVER. There would not be a reduction in the stocks; you just would not be adding to it, except when you get the 5- or 10-percent increase in yield, which seems quite likely on the undiverted acreage, you would find yourself forced, if you are to maintain \$1.20, also to put some buildup in stocks even under that situation.

Senator HICKENLOOPER. How about the fellow who would see his corn turned over to the Government at \$1.20, and go out on the market and buy it at \$1.05 and \$1.08; wouldn't that add to your storage problem, providing you can buy it at \$1.05 or \$1.08 or \$1.10?

Mr. GARVER. That is right.

Senator HICKENLOOPER. If the Government will have \$1.20 corn.

Mr. GARVER. That is right. The Government becomes the corn market.

Senator HICKENLOOPER. May I ask one other question: Do I understand it to be your position stated in another way that the ability or

the authority of the Secretary to release Government stocks at the market or to release them and put them on the market from time to time at an undetermined price, makes the Secretary the absolute controller of the price of corn?

Mr. GARVER. I think it does; I think it does.

Senator HICKENLOOPER. So that instead of corn operating in a free market or a reliable market or any kind of an anticipated market, the corn market operates according to the position that the Secretary will take from time to time with respect to releasing stored crops on the market.

Mr. GARVER. That is right; at whatever pressure he would be under at the time to go one way or the other. He would peg the price of corn.

Senator HICKENLOOPER. And he could keep the price of corn from going above \$1.10, let us say, just by releasing more stored corn out at the market price.

Mr. GARVER. That is right.

Senator HICKENLOOPER. And put it on the market.

Mr. GARVER. And he has a commitment——

Senator HICKENLOOPER. Or a dollar anything.

Mr. GARVER (continuing). To keep a differential there, in other words, to keep from making a liar of himself, that it was not so attractive to comply with it.

Senator HICKENLOOPER. Yes.

The CHAIRMAN. Any further questions?

Senator HOLLAND. I noticed in your statement you apparently do not figure that the noncompliers will increase their production.

Mr. GARVER. I said, Senator Holland, that I was being generous and conservative in not conceding that, although I did say orally that you would probably have production on land not now in acreage.

Senator HOLLAND. Well, I noticed though that you were conceding for the purpose of your figures that noncompliers would not increase their production. Don't you think that is an assumption that is very difficult to accept in view of the proven history in the corn production field?

Mr. GARVER. I would not ask you to accept it. I would simply explain that I put it down as a conservative basis. I think this is quite striking the way it is without taking in all the fringe things that would come in, and this was not a minor fringe, by any means.

Senator HOLLAND. Well, you have studied the record of the support price program in the field of corn production; have you not?

Mr. GARVER. Yes, sir.

Senator HOLLAND. Do you not know that that record showed that the majority of the producers, by and large, have not accepted their acreage allotments in each year of the recent operation of that price-support program, going back to 1953, and have overplanted?

Mr. GARVER. I think the record is quite clear on that, Senator.

Senator HOLLAND. Thank you.

Senator HICKENLOOPER. May I just ask one question on this point?

The CHAIRMAN. Surely.

Senator HICKENLOOPER. May I ask one question of Mr. Garver?

Do you have any comment or have you looked into the question of a program, for instance, that has been discussed last year and other times

of the Government going out and under proper prices, that is prices that would be attractive, just retiring, let us say, 70 million, there is no magic in that figure, just so it is an adequate figure of millions of acres of feed and feed grain producing lands in this country, taking them out of production so that it could not produce, take it out under contract and paying them, so that it could not produce feed and feed grains; have you given any thought to that kind of an attack on that problem?

Mr. GARVER. Yes, sir.

Senator HICKENLOOPER. At the point of production rather than to fool around with production and allotments, and so on, and then attempt to take it at the point of storage or marketing?

Mr. GARVER. Yes.

Senator HICKENLOOPER. And then leave the farmer comparatively free as to what he would raise on it. But reduce the acreage that would be devoted to the production of feed units.

Mr. GARVER. Yes. The conclusions I have come to from studying this thing and the experience we have had under it is that it is a fairly satisfactory short-range program providing you do not look upon this as a device for getting permanent adjustment in agriculture.

In short run, yes, because it would take the farmer a couple or 3 years, I mean a smart commercial farmer a couple or 3 years, to find ways to adjust to it.

But farming today is getting more and more to the point where farmland is only a workshop where he puts seeds and fertilizer and his sweat together, and he can work in a smaller workshop and do just as much work, and he is doing it fast, so in the long run I do not think it helps in the adjustment problem.

Senator HICKENLOOPER. We have a lot of farmers out our way, I know, who put \$25 to \$30 an acre in fertilizer on their corn land, which goes directly into the cost of a bushel of corn in that year. If he has got 100 bushels of corn, that is from 25 to 30 cents right there in fertilizer in cost on his corn.

Mr. GARVER. Yes.

Senator HICKENLOOPER. I just diverged.

The CHAIRMAN. Any further questions? If not, thank you very much.

Mr. Johnson, I want to apologize for not calling you before. I was under the impression that Mr. Heinkel was going to testify in your stead.

STATEMENT OF REUBEN L. JOHNSON, ASSISTANT DIRECTOR, DIVISION OF LEGISLATIVE SERVICES, NATIONAL FARMERS UNION

Mr. JOHNSON. Mr. Heinkel represented the Missouri Farmers Association and the Feed Grains Advisory Committee, but I must say, Mr. Chairman, I think you have given me an opening to say that I fully concur with the report that Mr. Fred Heinkel gave, in particular, the part of it that relates to the conclusions reached by Feed Grains Advisory Committee.

I want to thank you, Mr. Chairman, for making provision for the inclusion of the Feed Grains Advisory Committee report in the record of these hearings. I think your staff has copies of it, but if they do not I will be very happy to furnish you with a copy.

The CHAIRMAN. We have it somewhere.

Mr. JOHNSON. Mr. Chairman, I think in view of the lateness of the hour that I will file my very brief statement and just make a few oral comments in the form of about five or six points.

I want to thank you also, Mr. Chairman, for your patience in getting into the record the comments of the Secretary, of all those who have taken a position in support of what we think is a very worthy program, for the very incisive questions which you raised, and other members of the committee have raised; questions which, I think, will help to explain this program not only to the Members of the Senate who will have a chance to consider it in the days ahead, but also to those people out over the country, including farmers who will be looking at the program and studying the alternatives they face as feed grain acreage is seeded.

It is necessary to move with all reasonable speed. March 15 is the latest date at which farmers could plan intelligently their operations for the year ahead, and to give them the widest possible latitude toward the objective of a workable program with widespread participation.

We concur in the recommendations of the Feed Grains Advisory Committee for setting the support rate at \$1.30 a bushel for corn.

We believe that the support rate of the feed grains should be calculated on the basis of the feed value equivalent relating other feed grains to corn at \$1.30 a bushel.

There has been some question over on the House side of whether or not it would be desirable to include the actual support rate for other feed grains covered under your bill.

We think it would be perfectly all right for this committee to determine what the support rate of other feed grains should be, and to set this rate in the bill.

It is important that the support rate of feed grains be calculated on the basis of feed value to keep them in balance and we have full confidence in the Secretary and his staff. It would be acceptable to Farmers Union for you to include the support rates in this bill. It would help to let producers know in the short period of time we have ahead of us, exactly what to expect.

Let me say, Mr. Chairman, that you in the past have published documents, committee prints or whatever you call them, which have been distributed to the farmers to help explain programs that you have developed. You may have already given some consideration to this in connection with this program but if you have not, we recommend that you do so. A document could be prepared when you get to the point where you have some proposal that you will make to the Senate so that farmers will know more about what this program consists of as it reaches the floor for debate and consideration in the Senate.

Mr. Chairman, this concludes my remarks. Again let me thank you for the completeness of the hearings which you have allowed to take place here today, and for hearing us with such patience.

The CHAIRMAN. Well, your whole statement will be put in the record, Mr. Johnson, at this point.

(The prepared statement of Mr. Johnson follows:)

Mr. Chairman and members of the committee, we appreciate very much the opportunity to appear before the committee to present the views of National Farmers Union on the emergency feed grains program presented to the Congress by this administration. We are encouraged by the proposal presented by Secretary Freeman to the committee because it raises the incomes of feed grain producers while relating the support price of the feed grains to corn on the basis of the exact feed value equivalent. Moreover, it substantially reduces the cost to the Government in 1961.

The position of National Farmers Union on legislation to raise the income of farm families has been expressed many times in the past before the Senate Committee on Agriculture. The record will show that we have been consistent in maintaining a position in support of legislation which increased farm income and that we have opposed legislation which in our judgment would lower farm income.

We believe that considering the alternatives with which feed grain producers are faced, the legislation before you is worthy of your support and of the support of the Congress. There is just one change in the bill before you which we recommend. Following the recommendations of the Feed Grains Advisory Committee, we urge you to increase the support price of corn to \$1.30. With the support price for corn set at \$1.30, the support price of grain sorghum would be \$2.20 per hundredweight, calculated on the basis of 95 percent of the feed value of corn. We have no objection to you specifying the support level at which grain sorghum and other feed grains will be supported, if in your wisdom you decide on such procedure. We have full confidence in the Secretary and his staff to correct the imbalance in support prices of feed grains in past years.

We appreciate what we understand to be a sincere desire on the part of all the members of this committee to work with the new administration on programs which will substantially raise the income of farm families in the years ahead.

Mr. Chairman, I respectfully request your permission to make the tables attached hereto a part of the official record of these hearings.

EXAMPLE OF HOW THE PROGRAM WOULD WORK ON A CORN BELT FARM

1. Production and gross income with corn supported at \$1.30

	Acres, 1961	Yield, 1959-60	Production	Value at price-support level of \$1.30
		<i>Bushels</i>	<i>Bushels</i>	
Corn.....	48	¹ 52	2,496	\$3,245
Oats.....	20	40	800	² 492
Soybeans.....	20	25	500	³ 1,150
Total cultivated crops.....	88			
Conservation use.....	12			⁴ 468
Total value.....				5,355

¹ Assuming land put to conservation use in less than average productivity and more intensive practices are used on remaining acres.
² Assuming a 23-percent increase in price support for corn.
³ Assuming support price at \$2.30 per bushel.
⁴ Conservation practice payment 600 bushels times \$0.78.

2. Production and gross income with corn supported at \$1.20

	Acres 1961	Yield 1959-60	Production	Value at price-support level of \$1.20
		<i>Bushels</i>	<i>Bushels</i>	
Corn.....	48	¹ 52	2,496	\$2,995
Oats.....	20	40	800	² 453
Soybeans.....	20	25	500	³ 1,150
Total cultivated crops.....	85			
Conservation use.....	12			⁴ 432
Total value.....				5,030

¹ Assuming land put to conservation use in less than average productivity and more intensive practices are used on remaining acres.

² Assuming a 13 percent increase in price support for corn.

³ Assuming support price at \$2.30 per bushel.

⁴ Conservation practice payment 600 bushels times .72.

3. Production and gross income under existing program

	Acres 1960	Yield 1959-60	Production	Value at old price-support level
		<i>Bushels</i>	<i>Bushels</i>	
Corn.....	60	50	3,000	\$3,180
Oats.....	20	40	800	400
Soybeans.....	20	25	500	925
Total cultivated crops.....	100			
Total value.....				4,505

The CHAIRMAN. Any questions?

Senator HICKENLOOPER. I would just like to ask a question or two. Suppose the support price to compliers is \$1.20 on corn. Would you propose or support permitting corn in the open market to go above \$1.20 or would you support the idea of channeling Commodity Credit Corporation stocks into the market at the market price in order to hold that market?

Mr. JOHNSON. Senator Hickenlooper, we know that in a program of this kind that we are going to have to put faith in the Secretary of Agriculture, in the administration of it, and we have no fear of permitting the Secretary the latitude that section 3 of the bill before us as originally drawn would permit.

I think the Secretary——

Senator HICKENLOOPER. Excuse me, I do not mean to interrupt you any more than is necessary, but I am trying to hurry on. It is not a question of faith in the Secretary or anything of that kind. It is a question of what the market price of corn ought to be.

Now, I said if the support price would go in at \$1.20 for compliers, then suppose the market price started to edge up and got to be \$1.30, would you favor the putting into the market of stored corn, for instance, in order to hold the market at a certain point?

Mr. JOHNSON. Well, Senator Hickenlooper, we support \$1.30, so I would prefer not to——

Senator HICKENLOOPER. Let us take \$1.30. I am talking about the support price. If the market gets up, promises to go up, above the support price, do you think it justifiable then for the Secretary to release Commodity Credit Corporation stocks in order to hold the

market down at that level or permit it to find its own level above that?

Mr. JOHNSON. Senator Hickenlooper, I wish I thought that these kinds of pressures that you base your premise on would develop to push corn above \$1.30. I do not think that there would be those kinds of pressures in 1961. We probably would be doing very well if we could get corn up to \$1.30 or somewhere close to \$1.30 under the type program we are talking about.

We ought to continue to make a distinction between corn produced by those who participate in the program and those who do not.

Senator HICKENLOOPER. Of course, that does not have anything to do with my question.

Mr. JOHNSON. We might just stop to think that we are talking about a 1-year program. We are not talking about a program longer than 1 year.

Some criticism that has been made here has been of the kind that could be made with some validity if this program extended beyond 1 year. But, in effect, the whole structure of this program, as I understand it, revolves around getting participation this year.

If we do not get participation in 1961, the program will not be the success it would be otherwise.

If we do not get participation in the program, however, I do not see how we are going to be any worse off than we are right now.

Senator HICKENLOOPER. Well, let me get back to my question. Let us take \$1.30, if that is the support price guaranteed to cooperators under this program, and if the market price begins to push above that ceiling of \$1.30, do you think the power of the Secretary as contained in this bill to sell Commodity Credit Corporation stocks at the market in order to hold the price, or for whatever purpose, should be exercised?

Mr. JOHNSON. I do not know what my attitude on that would be. I would hope that the Secretary, if he were to be faced with this, would then make a judgment as to what to do about it.

Your premise is so far away from what I see as what might realistically happen under this program, I just do not know how to answer your question.

Senator HICKENLOOPER. Well, I asked the Secretary this morning what is the object of this program? Is it to control the price of corn or feed grains or is it to make the climate in which feed grains and corn will reach a reasonable and proper and desirable price? That is what I am trying to find out, because I think I agree that the authority proposed to be given to the Secretary here to release Commodity Credit Corporation stocks for sale in the open market at the market in his discretion gives him a complete control over the price.

He can fix the price of corn not above any price that he wants to.

Mr. JOHNSON. Senator, I fail to understand how the Secretary has any more control over the price of corn than he has now under the existing program.

Corn is resting flatly on \$1.06 support level. The chairman just read a statement about the number of bushels that went into CCC stock at this level.

Senator HICKENLOOPER. If the Secretary today had the authority to release Commodity Credit stocks at the market and without regard to what the Government has invested in it, he can knock the price down

from \$1.06 to 50 cents a bushel if he wanted to, maybe lower, I do not know.

Mr. JOHNSON. Yes; I think I get what you are driving at here.

Senator HICKENLOOPER. He has control of the price.

Mr. JOHNSON. I would not have liked for some Secretaries of Agriculture to have had such authority. I think this is a judgment that this committee has to make.

Secretary of Agriculture Orville Freeman is supporting the objectives of the President of the United States with relation to farm income, well-stated in his white paper entitled "Agriculture Policy and the New Frontier." Looking realistically at the position that farmers are in, we are perfectly willing to give the Secretary the authority to make the judgment required of him in section 3 of the bill as originally drafted.

Senator HICKENLOOPER. Well, then, you are placing your support here on the confidence in an individual rather than the basic propriety of this program?

Mr. JOHNSON. If we want to have a program this year, Senator, I think we must proceed with confidence in Secretary Freeman. When we get to the point where we are working on a long-range program, I think we can take time to sit down and be more specific in some of the guidelines that are set forth. But if we want to have a program we just cannot sit here and try to prescribe all of the ramifications in administration of a program of the type that we are discussing.

Senator HICKENLOOPER. I understand that fully, and we have never passed a bill here where all the details or ramifications are spelled out. It is impossible to do it. But the question is are we looking for a program just to have a program and say that we have got a program, or are we looking for something where we understand in the main what the program is going to be.

I have been unable today to find out what the purpose will be in using the authority of the Secretary as proposed to release Commodity Credit Corporation stocks on the market. I have been unable to get that clear in my own mind from any of this testimony.

Mr. JOHNSON. Well, let me answer you in very candid terms, what I think it amounts to. I think it is a psychological "ace in the hole" for the Secretary. I think it is a psychological "ace in the hole" maybe before the card game gets started. Somebody said not an "ace," but a "jack."

But the point is that the Secretary feels, and we agree with this premise, that to get participation in this program he will have better cooperation from producers if at planting time there are imponderable factors that could result in the noncooperators selling corn for less than the people who do cooperate.

Senator HICKENLOOPER. So, therefore, he says, in effect, that the support price will be maintained absolutely at the ceiling price, and, "I will use my power"—I do not mean he says this, I am just suggesting that that would be the net result—that the support price of \$1.20 or \$1.30. For cooperators, he says, "I will guarantee you that the support price is going to be the price and that the noncompliers are going to get a much lower price, and I will use the power to dump sur-

pluses on the market from time to time to see that they did not get a better price."

Mr. JOHNSON. Senator, what would be the effect of this if the participation on the part of feed grains producers were 95 percent? Wouldn't the Secretary need authority in order to release feed—you see, he bases his calculations on 70 percent participation. Let us assume that the participation was 95 percent. I think that the Secretary would want to have authority to see that the need for feed grain was met, and this would permit him to do so. Out of condition corn is being released at lower than the support rate under the present program.

This is another justification for having this section in the bill. I think we ought to remember, again, that this is a 1-year emergency program we are talking about to try to correct a situation which is going to result in a further buildup of feed grain stocks that is going to cost the taxpayers a billion and a half dollars.

If we can correct this situation at the same time we give producers some added income, then we believe we ought to do it.

Senator HICKENLOOPER. That is all, Mr. Chairman.

The CHAIRMAN. Any further questions? Thank you very much, Mr. Johnson.

At this point I wish to place in the record a letter directed to me from Senator Mike Mansfield, to which is attached the telegram from Mr. H. A. Hall Grimson, secretary, Roosevelt County Grain Growers and Stockmen Association.

I also wish to place in the record a letter addressed to me, dated February 23, 1961, signed by William F. Brooks, National Grain Trade Council, with attachment.

(The documents referred to follow:)

U.S. SENATE,
February 22, 1961.

HON. ALLEN J. ELLENDER,
Chairman, Senate Committee on Agriculture and Forestry, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is a telegram I have received from a constituent, Mr. H. A. Hall, who is secretary of the Roosevelt County Grain Growers and Stockmen Association at Culbertson, Mont.

Mr. Hall suggests the possibility of including in a feed grain bill the option of producing a nonsupported nonsurplus contract crop such as safflower in place of land retirement and accompanying payment in order to comply with the program. I thought perhaps your committee might like to have this recommendation for its files when the feed grain legislation is brought up for consideration.

Thanking you for your consideration and with best personal wishes, I am

Sincerely yours,

MIKE MANSFIELD.

CULBERTSON, MONT., February 21, 1961.

Senator MIKE MANSFIELD,
Washington, D.C.:

Request inclusion in feed grain bill the option of producing a nonsupported nonsurplus contract crop such as safflower in place of land retirement and accompanying payment in order to comply with program. Without option program could wreck new safflower industry eastern Montana and western North Dakota. Same option privilege should be given other in safflower category. Request similar option in future wheat legislation. This option would not alter intent of

proposed legislation. It would reduce Government cost, increase farm income, support new industry, and allow more choice for farmers.

H. A. HALL,
Secretary, Roosevelt County Grain Growers and Stockmen Association.

NATIONAL GRAIN TRADE COUNCIL,
Washington, D.C., February 23, 1961.

Hon. ALLEN J. ELLENDER,
Chairman, Senate Committee on Agriculture and Forestry, Senate Office Building, Washington, D.C.

DEAR SENATOR ELLENDER: The authority which the Secretary of Agriculture has requested to make unlimited sales of feed grains during the marketing year for the 1961 crops of such feed grains at prices as low as \$1.05 per bushel for corn, or 15 cents below the proposed loan rate will create great uncertainty with respect to feed grain prices, will force huge quantities of feed grains in the Commodity Credit Corporation's possessions through the loan program and tend to create a monopoly with CCC becoming the principal buyer and seller of feed grains. This will tend to destroy the present competitive grain marketing system. We believe that using increased loan rates, together with authority to sell below the loan rates as a means of securing participation in the diversion program is unnecessarily cumbersome and expensive. We believe that whatever diversion is required can best be obtained by direct diversion payments either in cash or in kind and that section 3 should be stricken from the proposed feed grain bill now being considered by the Senate Committee on Agriculture and Forestry.

We request that these views be incorporated in the record of your committee's hearings along with a list of the members of the National Grain Trade Council, a copy of which is enclosed.

Sincerely yours,

WILLIAM F. BROOKS.

Barley and Malt Institute, Des Plaines, Ill.
Grain & Feed Dealers National Association, Washington, D.C.
North American Export Grain Association, Inc., New York, N.Y.
Terminal Elevator Grain Merchants' Association, Kansas City, Mo.
Amarillo Grain Exchange, Texas.
Baltimore Chamber of Commerce, Maryland.
Buffalo Corn Exchange, New York.
Denver Grain Exchange Association, Colorado.
Des Moines Grain Exchange, Iowa.
Duluth Board of Trade, Minnesota.
Enid Board of Trade, Oklahoma.
Fort Worth Grain Exchange, Texas.
Indianapolis Board of Trade, Indiana.
Lincoln Grain Exchange, Nebraska.
Los Angeles Grain Exchange, California.
Lubbock Grain Exchange, Texas.
Memphis Board of Trade, Tennessee.
Milwaukee Grain Exchange, Wisconsin.
Minneapolis Grain Exchange, Minnesota.
New Orleans Board of Trade, Ltd., Louisiana.
New York Produce Exchange, New York.
Omaha Grain Exchange, Nebraska.
Peoria Board of Trade, Illinois.
Philadelphia Commercial Exchange, Pennsylvania.
Portland Grain Exchange, Oregon.
St. Louis Merchants' Exchange, Missouri.
St. Joseph Grain Exchange, Missouri.
Salina Board of Trade, Kansas.
San Francisco Grain Exchange, California.
Seattle Grain Exchange, Washington.
Sioux City Grain Exchange, Iowa.
Stockton Grain Exchange, California.
Toledo Board of Trade, Ohio.

The CHAIRMAN. If there are no further questions, I wish to thank the members of the committee for sitting until past 6 o'clock. I was very anxious to complete the hearings.

I understand that no other witnesses have asked to be heard, and I do not suppose there is anybody else present who desires to be heard.

If not, the hearings will be closed. I am very hopeful that the House can take action soon, and when it does, why, we might go on and take the matter up.

If the House does not act soon, then I am going to suggest that the committee meet early next week so as to give consideration to a bill. I do not want this committee to be blamed for not taking action. I realize that we must act within 2 weeks or else I do not believe the passage of this bill would be advisable.

So in order to get the bill out, say, by March 5, or March 10, and maybe before that, I am very hopeful that the committee will bear with me and will sit around this table and try to work up a bill, if that is at all possible.

I wish to say that the committee will accept written statements from anyone who desires to present them, provided they are made not later than Monday at 10 o'clock. They will be incorporated in the permanent record.

If there are no further questions, the committee will stand in recess subject to the call of the chairman.

(Whereupon, at 6:10 p.m., the committee adjourned, subject to the call of the chairman.)

(Additional statements filed for the record are as follows:)

STATEMENT FILED BY ALVIN E. OLIVER, EXECUTIVE VICE PRESIDENT, GRAIN & FEED
DEALERS NATIONAL ASSOCIATION

IDENTIFICATION

The Grain & Feed Dealers National Association is a national association of the grain and feed trades. Organized in 1896 by State groups of country grain elevators, this national association still emphasizes the needs of country grain warehousemen and merchandisers and retail feed dealers. In this national association 49 States and regional grain and feed trade associations are now affiliated members; there are approximately 1,150 direct memberships held by individual grain and feed firms.

This statement is submitted in conformity with resolutions adopted by our membership at the annual meeting of March 8, 1960.

The Grain & Feed Dealers National Association has no set policy as to crop price support levels. Historically it has been our policy to leave to the administration and farm organizations recommendations to Congress on price-support policy.

This national association does have policy opposed to legislation that would encourage or increase Government operations of grain marketing. Therefore, we respectfully submit the following position statement to the administration's presently proposed legislation on feed grains:

1. We have no comment as to the level of feed grain price supports or acreage retirement payments.

2. We are opposed to section 3 of the proposed feed grain bill which states, "Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized to sell any feed grain at market prices during the marketing year for the 1961 crop of such feed grain."

The implied threat of release of feed grains by the Commodity Credit Corporation is authorized to sell any feed grain at market prices during the marketing for feed manufacturers or others in the trade to carry inventories. Market price could be set at will by Government operations.

Present legislation prohibits Commodity Credit Corporation from selling feed grains at less than 105 percent of the support prices, plus carrying charges. This reasonable restriction prevents a colossal Government agency from completely determining feed grain market prices. (Sales are now made by CCC for feed grains out of condition or in danger of going out of condition.) We believe feed grain legislation as proposed, authorizing the Commodity Credit Corporation to sell any feed grain at market prices or down to \$1.05 per bushel for the 1961 crop, would be harmful to farmers and to all segments of the grain and feed industries.

ATLANTA, GA., *February 24, 1961.*

SENATE AGRICULTURE COMMITTEE,
U.S. Senate Building, Washington, D.C.:

Statement by Harold E. Ford for Southeastern Poultry and Egg Association, Decatur, Ga. to Senate Agriculture Committee, February 23, 1961, reference proposed price supports for feed grain. Gentlemen, as executive secretary of the Ten-State Poultry Association representing 56 percent of the Nation's broiler production, 30 percent of commercial egg production and 10 percent of the turkeys produced I express our thanks to you for considering the poultrymen's views on the proposal. As poultrymen we do not profess to be experts on economics. We do know when a financial stress is placed upon farm producers. The increase in price supports on feed grains will place a financial burden on the poultrymen. It will increase the production cost to a point where it will cripple the industry's efforts to develop foreign trade. The poultry industry has developed in the last 15 years into an industry that represents the third largest U.S. gross farm income. Best progress has been made without Government control and subsidies. I offer the following statistics: (1) 1.20 will increase the cost of finished broiler $\frac{3}{4}$ cents, (2) the present feed price ratio only permits the more efficient producers to make a small profit, (3) poultry is a heavy consumer of grain (a) 60 percent of poultry ration is grain, (b) poultry, second largest consumer of complete feeds, (c) this year the broiler industry alone will consume 700 million bushels of feed grain unless the price of grain prohibits a profit, thus, resulting in less broilers produced, (d) in 1960 broilers used 177,321,428 bushels of soybeans, (e) over 75,000 farm families depend on broiler production for full-time employment.

(4) Poultry exports, foreign trade, developing at rapid rate. 1960 exports exceeded 100 million pounds and was accomplished without Government subsidies on ocean transportation or Government sales subsidies and loans. The export program provided a market for 2 percent of broiler production last year, 1960. Exports average 30 cents per pound and sold for over \$30 million. This program should not be overlooked when analyzing the money balance problem. Last year over 5 million bushels of feed grain were sold to foreign countries in the form of poultry meats. For each pound of chicken meat exported we export 1.35 pounds of soybeans, 2.75 pounds of grain. This finished product can be produced in only 8-9 weeks. This is unequal.

The poultry exports program will continue to develop rapidly if the poultry production costs are not subject to inflated and artificial feed prices.

The poultry and egg industry in 1960 was a \$3.1 billion industry as compared to feed grain a \$2.2 billion industry—why wreck a \$3.1 billion industry to protect a \$2.2 billion industry; why rob Peter to pay Paul?

We find no evidence that increasing support will cut grain production. Past experiences prove that increasing prices is not the appropriate method to reduce a surplus.

In fact the only people we find to be in favor of this increase are those that produce grain to sell the Government. Certainly the users of grain to produce a finished commodity are not supporting such action. We recognize the problems facing commodities that have fallen captive of Government programs. However, we respectfully request that you not attempt to bail one commodity out of trouble at the expense of another.

Respectfully submitted.

HAROLD E. FORD,
Executive Secretary, Southeastern Poultry and Egg Association, Decatur, Ga.

STATEMENT FILED BY WAYNE A. FORCADE, PRESIDENT, BOARD OF TRADE OF KANSAS CITY, Mo.

The above entitled legislation proposes to amend section 105 of the Agricultural Act of 1949, as amended, by providing a new type of support program for feed grains for 1961. Specifically, it proposes to set the level of price support for corn at \$1.20 per bushel, to set conditions with which producers must comply to be entitled to loans of the amount stated, and finally to authorize the Commodity Credit Corporation to sell out of its surplus stocks sufficient quantities of feed grain to cover the cost of redemptions, and otherwise, at prices prevailing in the marketplace or at lower prices.

The Board of Trade of Kansas City, Mo., is the governing body of the grain exchange at Kansas City, Mo.-Kans. It is composed of grain dealers, exporters, processors, etc., and annually its members deal in large quantities of corn and other feed grains. The board of trade is sympathetic with the efforts of the administration and the Congress, directed to reducing the unwieldy surpluses of grain, increasing the farmers' income, and providing measures that will prevent further surpluses accumulation. It is, therefore, not disposed to offer any criticism of the proposed legislation as a whole, but does feel it necessary that some protest be made against those provisions of the bill, or bills, which would authorize Commodity Credit Corporation to sell its holdings at current market prices or less.

It is foreseen by the Secretary of Agriculture that there will not be a 100-percent compliance with the loan program by farmers; therefore, indeterminate quantities of corn must be offered by farmers for sale on the market. Any provision of law which would allow Commodity Credit Corporation to sell quantities of grain would provide competition in the market with farmers to their disadvantage. Such powers would prevent dealers from paying prices that otherwise could be obtained, and no more demoralizing measure could be imagined than to have this open authority to the corporation to offer grain at its option in such quantities and for such prices as it may elect.

Reference is made above to the support prices of corn, but all feed grains are involved, specifically; and by relation the demoralization, therefore, would not be experienced in one grain, but would affect all the other feed grains that are in competition. This demoralization would be countrywide, even international in scope.



EMERGENCY FEED GRAIN PROGRAM

HEARINGS
BEFORE THE
SUBCOMMITTEE ON
LIVESTOCK AND FEED GRAINS
OF THE
COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES
EIGHTY-SEVENTH CONGRESS
FIRST SESSION
ON
H.R. 4510



FEBRUARY 21 AND 22, 1961

Printed for the use of the Committee on Agriculture

Serial A



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WASHINGTON : 1961

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EMERGENCY FEED GRAIN PROGRAM

TUESDAY, FEBRUARY 21, 1961

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON LIVESTOCK AND FEED
GRAINS OF THE COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met at 10:10 a.m., pursuant to notice, in room 1310, New House Office Building, the Honorable W. R. Poage (chairman of the subcommittee) presiding.

Present: Representatives Cooley, Poage (presiding), Jennings, Matthews, Coad, Breeding, Hoeven, Dague, Quie, Short, May, and Latta.

Also present. Representatives Abernethy, Albert, Johnson of Wisconsin, Hagen, Stubblefield, Harding, Inouye, McIntire, Harvey, Beerman, Dole, Reifel, Neal Smith, Carl Anderson, Langen of Minnesota, Nelsen of Minnesota, and Findley.

Christine S. Gallagher, clerk; Hyde H. Murray, assistant clerk; and John Heimburger, counsel.

Mr. POAGE (presiding). The committee will come to order.

We are honored this morning to have the Secretary of Agriculture with us to present the views of the Department on the feed grain problem and to give us the ideas of the Department as to how we can best deal with that problem.

As all of you know, there has been a bill introduced by the chairman of this subcommittee which embodies the departmental views as to the necessity for legislation on the feed grain problem.

I want it understood that the committee, of course, does not claim that we are going to pass this bill word for word, and the fact that it bears my name does not mean that I do not think changes can be made in it. Indeed, I definitely want some changes. I shall offer amendments myself, but I feel that the Secretary should have his program presented in detail.

I am sure Secretary Freeman will tell you that he is not here telling you dogmatically that he has presented any tablets of stone which must be passed without a change but, rather, that he is going to tell you, I think as I would tell you, that he believes he has a sound basis of approach to the feed grain problem and that he wants to work with this committee to work out all of the necessary details to make that approach most effective.

You will find that this legislation does not cover all of the details of the program because there is existing legislation which gives the Secretary a great deal of power to implement this approach without new legislation.

So we will find that the details of rentals or payment for land retirement are not in the bill but will be in administrative orders.

I know that the Secretary's time is valuable. We appreciate the fact that he is willing to come up here to talk with us.

You would all like to have an opportunity to talk with the man who is going to administer the program.

Mr. Secretary, you are extremely welcome here. We are delighted to have you here. We believe that you are showing the type of aggressive interest in the problems of agriculture which we think is necessary, if we are going to ever bring any improvement into agriculture.

We think that you have shown an awareness of the things that must be done first, and that your efforts to do those things first is something that we appreciate.

Mr. Secretary, we will be glad to have you proceed and present matters, as you see fit.

(There was standing applause by the committee members.)

(H.R. 4510 is as follows:)

[H.R. 4510, 87th Cong., 1st sess.]

A BILL To provide a special program for feed grains for 1961.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection:

"(c) Notwithstanding any other provision of law—

"(1) The level of price support for the 1961 crop of corn shall be \$1.20 per bushel.

"(2) The level of price support for the 1961 crop of oats, rye, barley, and grain sorghums shall be such level as the Secretary determines is fair and reasonable in relation to the level of price support for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors set forth in section 401(b) hereof.

"(3) The Secretary shall require as a condition of eligibility for price support on the 1961 crop of corn, grain sorghums, and any other feed grain which he may designate that the producer shall participate in the special agricultural conservation program for 1961 for feed grains to the extent prescribed by the Secretary."

SEC. 2. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(c) Notwithstanding any other provision of law—

"(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1961, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation practice payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn, grain sorghums, and such other feed grains as the Secretary may designate, to an approved conservation use.

"(2) Obligations under such program may be incurred in advance of appropriations therefor (i) for payments in cash in an amount not exceeding \$500,000,000, and (ii) for payments-in-kind for diversion of acreage, within such limits as the Secretary may require, in addition to that required to be diverted in order to be eligible for price support. Payments-in-kind shall be made through the issuance of certificates redeemable by the Commodity Credit Corporation in accordance with regulations prescribed by the Secretary for feed grains or, at the option of the producer to whom the certificate is issued, for cash. To the extent such certificates are redeemed for cash, Commodity Credit Corporation shall sell a sufficient quantity of feed grains at the market price to cover the cost of such cash redemptions.

"(3) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(c). The Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1961."

SEC. 3. Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized to sell any feed grain at market prices during the marketing year for the 1961 crop of such feed grain.

STATEMENT BY ORVILLE L. FREEMAN, SECRETARY OF AGRICULTURE; ACCOMPANIED BY E. A. JAENKE, ASSOCIATE ADMINISTRATOR, COMMODITY STABILIZATION SERVICE; W. W. COCHRANE, ASSISTANT TO THE SECRETARY, AND JOHN BAGWELL, GENERAL COUNSEL, U.S. DEPARTMENT OF AGRICULTURE

Secretary FREEMAN. Thank you very much, Mr. Chairman, Congressman Poage, Congressman Hoeven, and members of this committee, ladies and gentlemen.

May I thank you——

Mr. POAGE. Mr. Secretary, you may be seated, if you care to.

Secretary FREEMAN. I will probably be jumping up and down. If I am not mistaken, you will have me jumping up and down.

Mr. COOLEY. You had better enjoy this ovation because this may be the last. I hope not, but it may be.

Secretary FREEMAN. This will be the last one?

That is the prediction, Mr. Chairman: That the ovations are apt to be few and far between.

There is a rumor going around that my job is not the easiest one in Washington. Nonetheless, may I say it is one that I am enjoying and we hope to make a contribution, and we look forward to the very closest working relationship with this committee.

I appreciate, first, your very generous welcome, and, second, your prefacing my remarks by saying that I do not come here like a prophet of wisdom.

I have no tablet of stone. I have no idea that I have all the answers.

As a matter of fact, I come here with some trepidation. This is a somewhat, or let us say a very complicated subject, when you get into its intricacies.

I would feel much better prepared had I had the opportunity that many, if not all, of you have had to sit here and listen to testimony and to review proposals over a span of a good many years.

We have worked very hard to attempt to arrive at some recommendations that would make sense. We submit them now to your wisdom.

I have learned as a Governor that the Congress or the legislature, as the case may be, the legislative branch of Government, when it reviews the recommendations of the executive, brings to light many things that need to be considered.

I also believe that it is a responsibility of the executive to make, so far as it can, firm recommendation. The policies and the final decisions are made by the Congress.

We had a saying at home, which I learned very well as a Governor, that the Governor proposes but the legislature disposes, and I have been informed that is the case here as well.

Let me get on with the business at hand.

No. 1, I think all of you have before you a bill that was introduced.

We have been burning the midnight oil—as a matter of fact, until almost 2 o'clock this morning—and reviewing and discussing and reviewing again, because this is done under transition circumstances in the Department.

I would suggest that you might—an amendment has been placed before you—just quickly take a look at two amendments we would propose to the bill as originally introduced for the purposes of our discussion here.

At the conclusion of the bill—section 3—we would add the following language which you have before you.

Mr. MATTHEWS. Mr. Secretary, could you wait just a minute, please?

Secretary FREEMAN. Yes, sir.

May I proceed, Mr. Chairman?

Mr. POAGE. You may.

Secretary FREEMAN. The addition would follow. You have in your hands a copy of a typewritten original that I hold.

Beginning with the word "*Provided*" there would be added to section 3 the following language:

That the sales of any feed grain shall not be made at a price below the support price which would be in effect if the support level for the 1961 crop of such feed grain had been established under section 105 (a) and (b) of the Agricultural Act of 1949, as amended.

In other words—and I would deal with this as I develop our proposals—that if some of the discretionary authority that we request were granted, it would be with the limitation that, directing this to corn, that it would not be permitted to fall below \$1.05 a bushel.

That would be the practical effect of this addition. The language is in the terms stated, so that it would cover all of the feed grains.

Secondly, under section 2, subsection 2, and then the (ii) under it, which is in parentheses, to cross out the words, in effect, if you have the bill:

* * * in addition to that required to be diverted in order to be eligible for price support.

That is line 8.

Cross out starting in line 8, then, "in addition to that required to be diverted in order," and in line 9, "to be eligible for price support"—stopping there. The reason is to give more flexibility in connection with potential payments-in-kind.

With those changes in the bill as Congressman Poage so graciously introduced it, I will now comment on the proposals that we make.

I would prefer, Mr. Chairman, not to just read this statement. I am sure that this committee could read it faster than I could read it orally, so let me just summarize it.

Then——

Mr. POAGE. Without objection, we will insert the statement in the record, and you may make any comments you care to.

(The statement referred to is as follows:)

STATEMENT BY SECRETARY OF AGRICULTURE ORVILLE L. FREEMAN BEFORE THE FEED GRAIN SUBCOMMITTEE OF THE HOUSE COMMITTEE ON AGRICULTURE, FEBRUARY 21, 1961

Mr. Chairman and members of the committee, it is with a sense of great urgency that I come before you this first time as Secretary of Agriculture. I appreciate, and I feel sure that the farm people of the Nation appreciate, your prompt action in considering the special legislation that President Kennedy has proposed for dealing with the feed grain problem.

This emergency program will, in our judgment, meet this situation with benefits to the producer, the consumer, the taxpayer, and the American economy as a whole.

Specifically, it will do these things:

First, it will assure increased income for participating farmers in the important feed grain sector of our agricultural economy.

Second, it will assure the consumer of fair and stable prices for meat, poultry, and dairy products.

Third, it will cost the taxpayer some \$500 million less than the present program.

And fourth, it will reduce the Government's holdings of feed grains.

The feed grain-livestock complex is the largest part of our agricultural economy. It is vitally important. It accounts for nearly two-thirds of gross farm receipts.

The existing program combining price support with unlimited production has not worked. It has resulted in the accumulation and buildup of huge stocks of feed grains. It has lured and threatens to lure producers into expanding, far beyond what current markets can absorb at fair prices, the production of poultry, eggs, dairy products, and meat.

If the current program of price supports on unlimited production of feed grains is allowed to continue, even this year, surplus stocks in Government hands will reach even more alarming proportions. A virtually unmanageable storage problem will be created. Farm income will drop further. And additional millions of dollars will be needlessly spent.

It is only reasonable then that a change in the present direction is in order. The Government now holds from previous crops some 2.7 billion bushels of feed grains. The investment is at an alltime high of nearly \$4 billion. If the present program is permitted to continue, the Government will be required to acquire 610 million bushels of feed grains from the 1961 crop and prior-crop reseals in the calendar year 1962. The cost of acquisition will be approximately \$603 million. Based on experience, the storage and handling charges prior to the time of disposition of these grains will cost the American public another \$959 million. The total investment, therefore, would be more than \$1½ billion.

If we assume that these grains will eventually be moved at their full acquisition value, the net expense to the public would still be more than a billion dollars. But this is only part of the dollar cost; unless we begin action now to bring order and balance into the total feed grain picture, the livestock economy will likely be in chaos in the next few years, and farm income will be at ruinous levels.

What is the alternative to this situation?

It is, we believe, along the lines of the legislation presented to the Congress by the President in his letter to the Speaker on last Thursday.

With prompt enactment of this legislation, the Department of Agriculture can place into effect an emergency feed grain program to be effective for the 1961 crop.

The program is a voluntary one. It gives to the producers an opportunity to cooperate in a program which will bring our feed grain supplies more nearly in line with needs. No producer will be required to participate. It would be operated through the farmer committee system, which has earned the confidence of the people—farm and nonfarm people alike.

The program will be considerably less expensive than the existing program.

The estimated cost to the Government of the conservation payments under this program is from \$400 million to \$500 million. There will be an outlay also for payments-in-kind, but these will be more than counterbalanced in time by savings made possible by reducing stocks that require expensive storage and by reducing production of grain that would be eligible for price-support loans if produced. There may also be some outlay for price-support loans, but with

a reasonably high degree of cooperation among farmers, total feed grain production will be brought more nearly into line with demand so that prices will rise and Government stocks will be absorbed in the market. The total estimated cost of the program in the long run will be the cost of the conservation payments—\$400 to \$500 million. This will replace the estimated expenditures under the existing program of \$1.5 to \$1.6 billion of which we could expect to recover eventually not more than \$500 million. The net saving under the proposed special program as compared with the existing program would be on the order of \$500 million.

To the cooperating farmer, this program offers an opportunity to increase both his gross and net returns.

To the taxpayer, the proposed program offers an end to the wasteful buildup of feed grain stocks; in fact, we believe under this program we will be able to reduce the stocks held by the Government.

To the consumer, in addition to the ultimate savings of their tax dollars, this program offers a continued supply of abundant high-quality food at fair and stable prices.

I would like now to present the major features of this program, with a brief discussion of the legislative and administrative requirements.

The legislation proposed to you by the President would do these things:

1. Establish for 1961 a special agricultural conservation program to encourage producers to divert feed grain acreage to soil conserving uses;
2. Make participation in this special program a condition of eligibility for price supports on feed grains;
3. Permit payments-in-kind out of Government stocks of feed grains to producers who divert acreage out of feed grain production.
4. Increase the level of price supports for feed grains to assure the producer a more reasonable return from each bushel he produces;
5. Permit the Government to sell stocks of feed grains at market prices in order to avoid holding a price umbrella over noncooperators.

The producer has several choices to make. First, does he want to take part in the program? He becomes a cooperator by diverting at least 20 percent of his base acreage from corn, grain sorghum, or other feed grains to a soil-conserving use. (The base period to be used in computing acreage history is 1959-60.) When he takes this step, he becomes eligible for price supports on his feed grain production. The national average rate proposed for corn is \$1.20 a bushel, with rates for other feed grains in relation thereto. He also becomes eligible for a payment under the special agricultural conservation program. This is made at the rate of 60 percent of the support price for the normal yield per acre. The producer who lives where the corn support price is exactly the national average can compute his rate as 60 percent of \$1.20 or 72 cents times his yield in the base period. If that was 50 bushels an acre, the payment per acre is \$36.

After deciding to take the basic step of diverting 20 percent of his feed grain acreage, the producer makes another decision. Does he want to divert a larger amount? He can obtain additional benefits by diverting up to 20 percent more of his base acreage. For each additional acre, he can earn payments-in-kind at the rate of two-thirds of his normal yield. If his corn yield was 50 bushels, his payment-in-kind will be 33½ bushels per acre. His payment will be in the form of a certificate which he can redeem in grain or in cash as he wishes. If he chooses cash, the Commodity Credit Corporation will sell enough grain to cover the cost.

With the proposed new program in effect, the farmer who does not participate will have to take his chances on an unsupported feed grain market.

We can go into the details of the program to whatever extent you wish. However, before completing this initial presentation, I would like to discuss some charts which portray the feed grain situation.

NEW PROGRAM WILL REDUCE COSTS

**Outlays under
existing program**

\$1,582 MILLION
INTEREST COSTS 3%
\$194 MILLION
TRANSPORTATION \$120 MIL.

STORAGE AND HANDLING
\$645 MILLION

ACQUISITIONS
\$603 MILLION
ACQUISITIONS OF 1981 CROP
AND PRIOR CROP RESOLLS IN
CALENDAR YEAR 1981

**Net cost of
existing program**

ESTIMATED
NET COST
OF EXISTING PROGRAM
\$1,000 MILLION

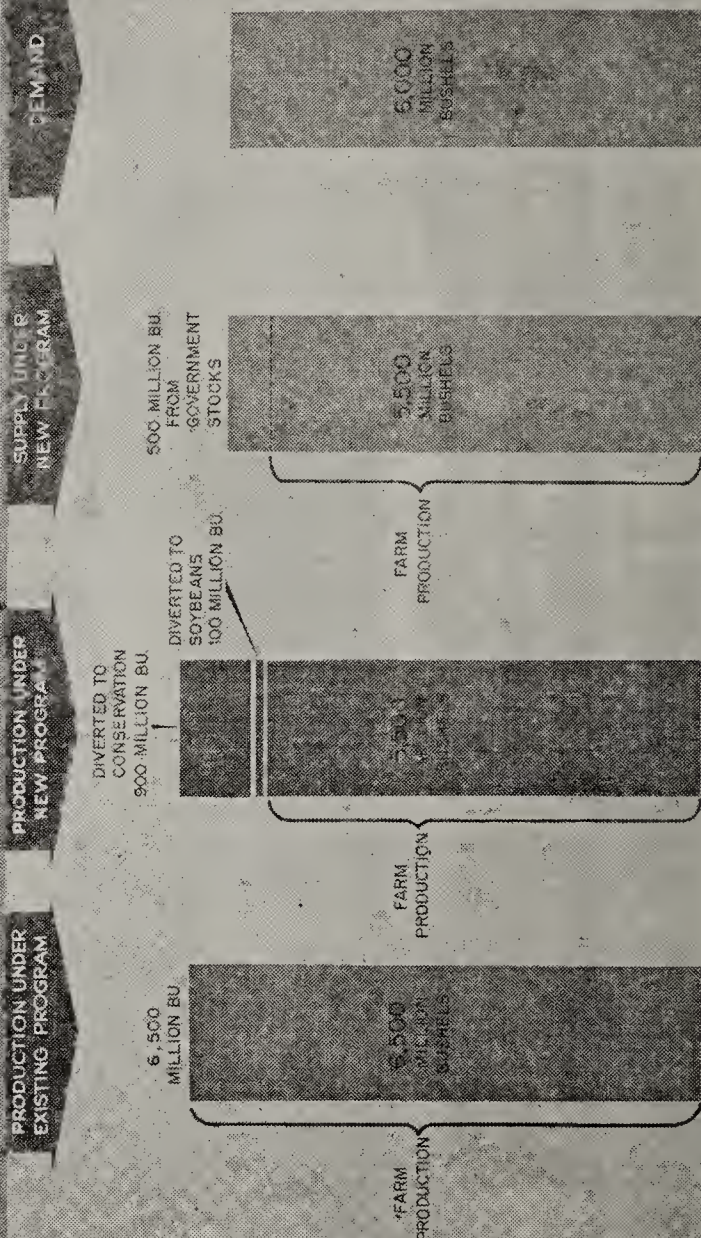
\$1,000 MILLION
NET
COST

**Cost of
New program**

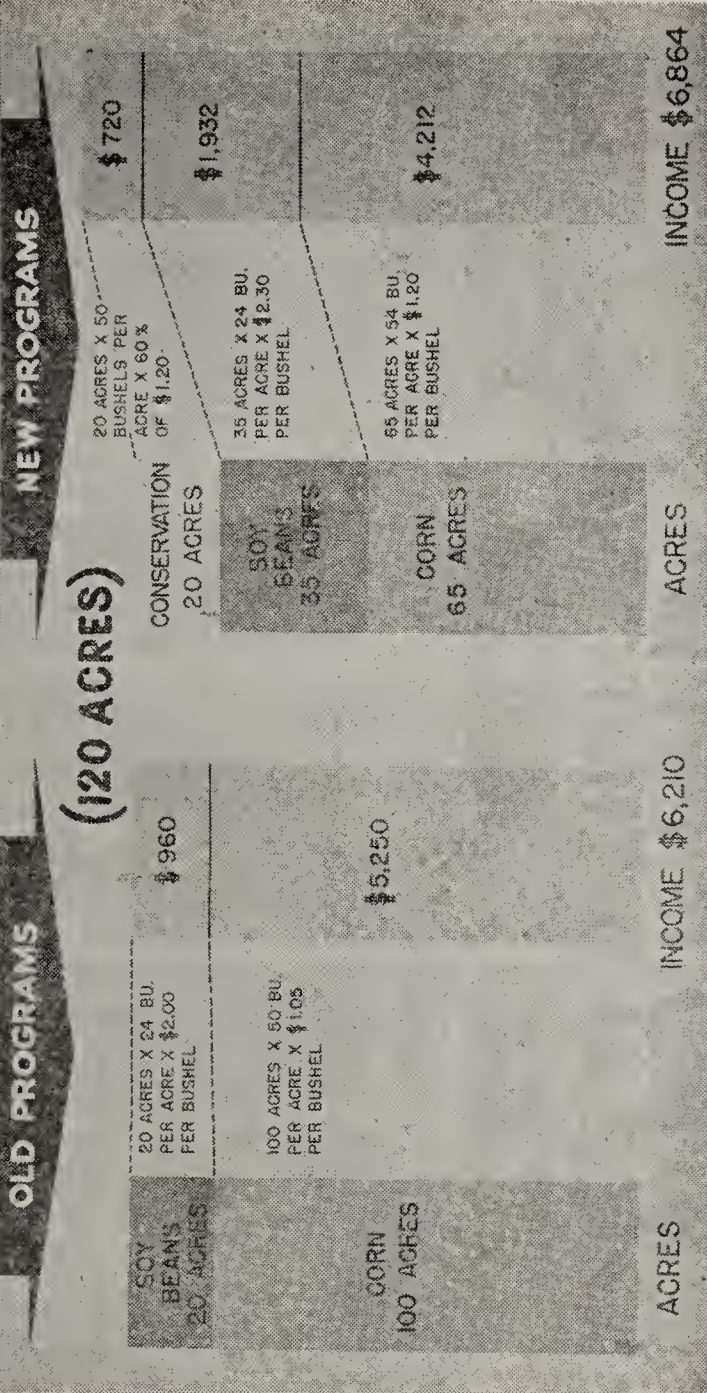
\$500 MILLION

PAYMENTS TO FARMERS

NEW PROGRAM WILL REDUCE GOVERNMENT STOCKS



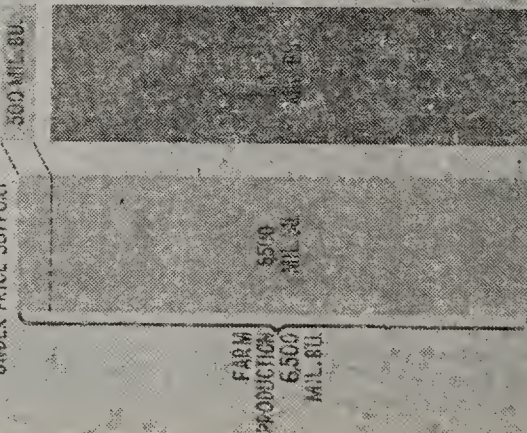
NEW PROGRAM WILL INCREASE FARM INCOME



PAYMENTS IN KIND- USE AND LIMITATIONS

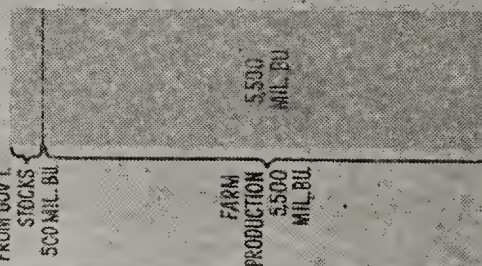
EXISTING PROGRAM

NET ADD TO GOV'T STOCKS
UNDER PRICE SUPPORT



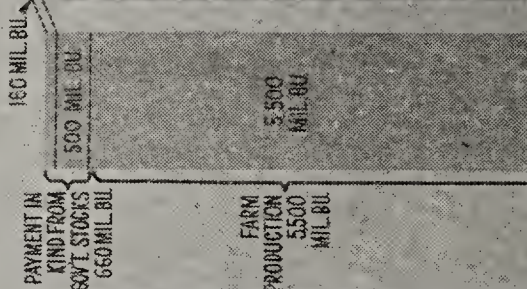
NEW PROGRAM

FROM GOV'T
STOCKS
500 MIL BU



ALL PAYMENTS IN KIND* (AT RATIO OF 2/3 FOR 1)

BACK TO GOV'T STOCKS
UNDER PRICE SUPPORT



* TOTAL PAYMENTS IN KIND WOULD BE 600 MIL BU OF 160 MIL BU MORE THAN 440,000 OTHERWISE PLACED IN MARKET (500 MIL BU)

Secretary FREEMAN. Thank you, sir.

First of all, this is an emergency 1-year program. The members of this committee realize better than I that there is not time to have a referendum and to have a 1961 feed grain program that would, therefore, apply to all producers.

Hence, the need for fast action, and the reason why we are here today.

We urge, if you find these recommendations to be sound, that this legislation be moved as rapidly as possible.

Shortly after, or even before I was made Secretary of Agriculture, there was brought to my attention the nature of the problem we faced in feed grains, with something approximating 2,700 million bushels valued at \$4 billion presently in storage, and with a crop to go into the ground in a couple of weeks which would add to the amount in storage at very, very substantial costs to the U.S. Government and to the taxpayers.

This chart indicates, I think, what we are talking about:

That if nothing is done about feed grains this year, under the present law as it stands, there will be an addition to that in storage an amount in the neighborhood of 600 million to 700 million bushels, as nearly as we can calculate it.

Using 600 million bushels for the moment, the outlays under the present program will total \$1,562 million before that corn has been handled and eventually disposed of.

This is made up, as you will see on the chart, and in the printed statement, of interest costs at 3 percent, \$194 million; transportation; storage and handling; and acquisition costs at \$603 million.

Now, the existing program, after disposal, which is estimated to take, according to current supplies at least, from 7 to 10 years during which \$562 million will be recovered, would leave us with a final net cost of approximately \$1 billion.

The cost of the new program, as we estimate it, would be \$500 million, or a net saving of \$500 million.

Dr. Cochrane, would you take that chart off there, please? This is Dr. Cochrane, Assistant to the Secretary and the Economic Adviser, who has worked very closely with me on this proposal.

That is No. 1, then. We feel this program will reduce farm costs.

No. 2, the program will increase farm income. Under the old program we have taken a hypothetical case here of 120 acres—100 acres in corn, 20 acres in soybeans—and under the proposal that is made in this testimony, there would be, and as you will see in terms of income, \$960 from soybeans and \$5,250 from corn, for an income of \$6,210.

Now, under the new program we would see 20 acres in corn conservation reserve, with a payment at \$720 by way of income; 35 acres of soybeans at \$2.30, the proposed support price, for an income of \$1,932; and 65 acres in corn with an income of \$4,212; or an income of \$6,864.

Let me sketch how this would be accomplished, if I may, quickly.

Again, this is in the printed statement.

No. 1, we would seek to have directed into soil conservation use acreage, in this instance 20 acres, through the medium of a payment of 60 percent of a support level of \$1.20 that would be established.

In effect, this amounts, Mr. Chairman, to buying these acres out of production; and inasmuch as this would need to be done on a completely voluntary basis, I submit to you there is no alternative. We have sought to make this desirable, and it is our best judgment that it will be desirable.

The second part of this program would be to have—and that is not shown on that chart—the option of payment in kind up to 20 percent more acres, which would be paid for at two-thirds of the return where, in this instance, it has been 60 percent.

There would be a slightly greater payment for those who saw fit to take advantage of the option of payment in kind. That does not happen to be on this chart.

The third result that we hope would flow from the program would be a transfer of some acreage in feed grains to soybeans.

This is a combination program:

First, to attempt to divert, for the time being, acreage from feed grains by utilizing sound conservation methods.

Secondly, by diverting some of that production to soybeans. The price on soybeans is presently strong. The market potential is excellent, both domestic and foreign; and in this instance we feel there would be in this hypothesis some 35 acres that would go into soybeans.

And, finally, there would be remaining the 65 acres which would then qualify for supports at \$1.20.

This, roughly, outlines the program.

A controversial or potentially controversial question is that of what do you do about noncompliers. And let me direct my attention to that directly and not dance around it.

This is a problem, and we have sought to provide for discretionary authority so that as this program develops, it would be within the power of the Secretary in administering the program, subject to the limitations of the amendment that I just gave you, to release corn on the market, feed grains on the market, so that the noncomplier would not profit at the expense of the complier.

Secondly, it has been suggested to me that there is something that goes on occasionally in the Federal Government—we never did this in the State—called backdoor financing, and we would say that we would propose to pay for this, insofar as the acreage reserve is concerned, by a direct appropriation, rather than by any kind of indirect financing.

This, of course, covers the high points, I think, and I would suggest that perhaps our efforts to answer your questions might shed more light on our proposal than my repeating, or attempting to read, my prepared statement.

I would apologize to my associates here for not having formally presented them to you.

To my immediate left is Mr. Ed Jaenke, whom many of you know, who previously served here on the Hill, who is the Associate Administrator of the Commodity Stabilization Service; Mr. John Bagwell, who blames Minnesota weather for having slipped and broken his arm, and I absolve myself from that blame; and to my right Dr. Willard Cochrane, who is the Economic Adviser to the Secretary.

I thank you for your kind attention.

We will endeavor to answer your questions.

Mr. POAGE. Mr. Chairman, do you have any questions?

Mr. COOLEY. No, thank you, Mr. Chairman. That is all right. I will pass the questions.

Mr. POAGE. I want to ask you, Mr. Secretary, as to the reasons for the \$1.20 support figure.

Now, to me, it seems rather important that we should pay a higher support price than we now have in this bill. It seems to me that \$1.30 is a much more realistic figure than the \$1.20.

And, conversely, it seems to me that we are getting our proposed payments per acre far too high.

I know that you must have enough payment coming to the farmers to make it to their advantage to retire land from the production of feed grain.

That is how the program is supposed to work.

But I am talking about the relative importance of the support versus the rental payments.

Would you give us your thinking as to why you emphasize the acreage payment and deemphasize the support payment?

Secretary FREEMAN. Well, the thinking, Mr. Chairman, was that we wanted to divert into soybeans—"divert" is perhaps too strong a word, but let us say gently nudge into soybeans—as much corn acreage as would be practical and feasible.

The ratio has been such that we would have to have a substantially higher support level on soybeans than \$2.30, if we are to have a support level on corn of \$1.30. This was the fundamental reason.

We hope that in the neighborhood of 4 million acres would move from corn to soybeans, with a support price of \$2.30.

Mr. POAGE. I am completely lost on this soybean matter. I find no objection to trying to divert corn acreage into soybeans. I realize the advantage of that.

But just what is our oil situation?

I have been under the impression that our vegetable oils are in pretty bad shape anyhow. What is the situation there, Mr. Secretary?

Secretary FREEMAN. The situation is that the last I noted that the market on soybeans was about \$2.47, and the demand was strong both domestic and foreign, and the predictions are that it will continue so.

Further, the need for vegetable oil all over the world will continue strong and is limitless.

Mr. POAGE. Now, when you say \$2.40, I do not understand enough about it.

We sell our oil by the pound at 11.5 cents or 12 cents a pound.

Secretary FREEMAN. I said soybeans themselves, a bushel, or that is what I meant to say.

Mr. POAGE. I see.

But now I am getting down to the oil situation. What is the oil situation?

I know there is a good demand for protein, for the meal, but what is the oil situation?

Secretary FREEMAN. The demand for the oil, I think, is reflected in the price of the bean right now, the demand for the oil is strong.

Mr. POAGE. Is the bean selling for the oil or is it selling for the protein? That is what I am wondering. I have been told that the cottonseed price was dependent on the value of the meal; that there

was not a high enough price for oil to justify even the present price of cottonseed. Cottonseed sold this fall at about \$37 a ton, and we were told that the reason for that—I am not telling you that I know it, but we were told that the reason for that low price—was that there was not any market for the oil.

Secretary FREEMAN. I can only answer that, Congressman, by saying that I am told that the market for oil is strong and potentially will continue strong, both domestically and internationally.

Mr. POAGE. I am wondering if there is somebody here that can tell us what the price of oil is today.

Secretary FREEMAN. Do you know, Willard?

Mr. COAD. Mr. Chairman, the highest it has been in several years.

Mr. POAGE. What is it? It was about 11 cents. But what is it now?

Mr. COAD. It is probably 12 or 13 cents.

Secretary FREEMAN. I will certainly get it for you. I did not bring anybody from marketing along with me, Mr. Chairman.

(The information referred to follows:)

The price of crude soybean oil at Decatur on March 1 was close to 13 cents per pound. The price has risen markedly, from about 8 cents last fall to about 13 cents today.

Mr. POAGE. That is not a very good price for oil.

Mr. COAD. But it is stronger by about a nickel than it has been in several years.

Mr. POAGE. Mr. Quie suggests, and I think probably correctly, that possibly the movement of oil that you have authorized through Mr. McGovern's organization has probably strengthened the price of oil in the last few weeks.

Secretary FREEMAN. It is difficult to know the exact effects.

We are now procuring oil for the use of the volunteer agencies under Public Law 480.

This, however, was actually an offset to an adjustment in a program negotiated with Spain that subsequently transferred from oil to wheat.

So this would not really have had a very great effect on the market.

I will be happy, Congressman, to send you a memorandum in terms more specific, but in terms both domestic and foreign, current and projected, showing that the demand for the oil is strong.

And, of course, the protein feed that results from it will be in shorter supply than would be if it directly comes from corn, as you know better than I.

Mr. POAGE. Let us turn to——

Mr. ALBERT. Mr. Chairman, on that, may I ask a question?

Mr. POAGE. Certainly.

Mr. ALBERT. It is also true, is it not, Mr. Secretary, in establishing the ratio as between price support and price for diverted acreage that the higher you make the support, the greater tendency you will have to fertilize and otherwise to increase the crop which you are trying to cut down?

Secretary FREEMAN. That is another problem, Congressman Albert, that we are faced with, and it is a consideration. It is said that in the sense this becomes self-defeating because you make it desirable to fertilize.

But I would say to this committee that we have taken into consideration the slippage factor, and sought to make allowance for, first, that the best acres will not go out of production and into conservation purposes.

Now, the best of the corn acreage will stay in production and the least productive will come out.

That is No. 1.

And No. 2, the fact that there will possibly be a more intensive application of both fertilizer and hybrid seed.

We call this a slippage factor in our estimates of calculations. We have taken it into consideration. We hope we are right.

MR. POAGE. Before we get off of this, before we get to the general proposition, may I follow this through? On this matter of transfer to soybeans, it seems to me that if we emphasize these payments for the retirement of land, and you make the rentals 60 percent of normal production—I am disturbed about the answer we are going to give the consuming public and to our colleagues on the floor when we go over there and they ask us:

“Is this what it costs this farmer? Are you only paying this farmer his cost?” And we try to say: “Yes, we are paying his costs. We are paying him so that he will now come out approximately as well as if he had planted his corn.”

Secretary FREEMAN. A little better.

MR. POAGE. The public would say: “Does he make 66 percent clear profit on his gross sales?”

Of course, no farmer makes that. Of course, it is not a profit. I understand that and you understand it. But I think the public generally is going to beat us over the head terribly with the proposition.

Now, of course, I know that there are other expenses and you know that.

But you are going to have a terrible time getting the New York Times to explain that.

In fact, I guess they are not about to explain it.

And whenever you read such an explanation in the New York Times or in the Chicago Sun or in any of the other of these big papers, will you bring them up here, because I want to see them. I never have read any such explanation of the farmer's problems in these papers.

Secretary FREEMAN. I would certainly defer to the judgment of this committee as to what it would take in order to accomplish the 20-percent reduction of acreage that we think essential.

But I would say this, Mr. Chairman, that it is not a question of two ideal situations. It is a question of practical alternatives.

They are difficult to explain on occasion, but I think that this one is quite obvious, as we showed the difference between spending \$500 million and starting in the direction of cutting down the stocks of feed grains, or spending \$1.5 billion and adding to it.

And I would hope that the gentlemen of the press would so present the alternatives; and if they do, I think the public will understand.

MR. POAGE. I do not think there is any question about proving that the program will be helpful to the Nation. The alternative is merely, in my mind, whether we should pay more in the way of support price and less in the way of rental. I am not talking about the sum total which you are spending. I am talking about whether you are em-

phasizing the support price or whether you are emphasizing the rental.

Now, I understand from your testimony—and I think it makes sense—that you are emphasizing the rental in order to try to get more land in soybeans; that that is the reason for this ratio.

Secretary FREEMAN. Well, actually this is a factor. Also, the increase in support price on soybeans is probably an equally strong factor moving in the direction of the acreage transfer.

Mr. POAGE. Yes.

Secretary FREEMAN. I think Mr. Chairman, that we have plenty of wheat and feed grains, and that what we need in the world is more proteins and more oils.

I think there are many people of the world and people in the United States, who have a nutritionally deficient diet right now, and we ought to start in any way we can to producing in the channels that will tend to meet that.

I think the diversion factor into oils and proteins is a very important factor.

I would defer to your judgment on the mechanics of this. You have had a lot more experience than I.

Mr. POAGE. Now, let me ask you this: In the same paragraph there the bill provides a level of price support for 1961 crops of oats, rye, barley, and grain sorghums.

Oats, rye, and barley are at least in a substantial part planted now. Almost all the rye is planted. Certainly, I would suppose more than half of our barley is planted. In California, certainly, it is all planted and right close to harvest.

Certainly, in the southern third of the Nation, all the oats are planted.

I think that we are opening the door to another round of outright fraud.

I do not mean that you are proposing any fraud, but I mean that those of us who are situated as I am are being given a chance to get our hands in Uncle Sam's pockets.

I have some 200 acres of oats down in Texas right now, and I know which part of those oats are going to be pretty good and which part is not going to make much of anything. If I put 100 acres of those oats into reserve in order to qualify, which I suppose I would do under this program, in the first place, you will get some oats that have been drowned out, frozen out, green-bugged, and everything else. You would get the poorest oats, of course.

You would cut down my production very little.

In the next place, I would graze those oats just as heavy as I could graze them, as fast as I could get in the fields, before I plowed them up to get in the program.

Now, I do not think I am any worse than the average. I think that is what every farmer is going to do whether he has oats or barley or rye.

That is not going to make a nice picture when it happens. The surplus of these products is very minor. Oats, I believe, we have only 10 million bushels, is it not, on hand?

I have these figures here, or had them a moment ago.

Secretary FREEMAN. Something like that.

Mr. POAGE. The estimated total stocks is 10 million bushels of oats; of barley, 47; and of rye, of course, we have not even that much. It would seem to me that the dangers which we encounter by including those crops, the criticism we are going to get, is going to be so tremendous that I just wonder if it is worthwhile to include those crops.

We are not talking of this kind of program for wheat and the very reason we are not talking about it is we know about two-thirds of the wheat is already up. There is still a third of the wheat yet that has got to be planted or maybe a fourth.

All the spring wheat is yet to be planted.

But we recognize that such a large percentage of it is already up that the farmer can make that same distinction which I can make in oats.

That we think is bad, and we are not going to try it for wheat, and I do not think we ought to try it for other small grains.

Mr. COOLEY. Would the chairman yield for one observation?

It occurs to me, line 19, page 2, that the Secretary would have control of the situation that the chairman has described, and by proper regulations he could prevent abuse of the program by any farmer who is trying to put bad land in the program and keep out good land.

Mr. POAGE. The Secretary cannot prevent it, Mr. Chairman.

It is impossible, if you are going to give me the right to put in oats in the program at this time of the year, you cannot keep me from grazing them before I plow them up. I have got a month while we discuss this bill to do that.

Mr. COOLEY. But if he provides in the regulation that you cannot graze, and he puts in a provision of compliance and the average acres or the production of average acres, it seems to me he could control it.

Mr. POAGE. He cannot get that average acreage. It is an utter impossibility for him to go out and go to every farm. You have only got a 1-year program. That is going to be the greatest difficulty of the whole program, in the first place.

Secretary FREEMAN. Mr. Chairman, if that was your judgment and that of this committee, why, we certainly would defer to your wisdom.

I mean we included it here. There is a very practical problem, as you describe it. It would be an administrative problem, as Mr. Cooley indicates.

There would be in this bill discretionary authority. If the committee saw fit to take it out, why, we would not feel that it had been irreparably damaged.

Mr. POAGE. Thank you.

I just wanted to find out your position.

Mr. COOLEY. At least we could make the bill perfectly clear in that regard so as to prevent an abuse, and, as you said to begin with, this bill is wide open for amendment and we can strengthen it in that section.

Secretary FREEMAN. Yes, sir.

Mr. POAGE. Certainly. And right in that same section there is another thing that I think can help you greatly in the administration of this; that would make it easier, I think.

You have a support price there for grain sorghums.

At such level as the Secretary shall determine to be fair and reasonable in relation to the level of price support for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors set forth in section 4 hereof.

and that means the eight factors set out in the law, such as location.

Secretary FREEMAN. Right.

Mr. POAGE. Desirability, and so on, which has always caused us trouble.

We have had all kinds of trouble on that, here before this committee, and all over the country in the past. It seems to me that we might save a great deal of trouble by simply writing into the bill for grain sorghums the plain dollars and cents, instead of bothering about those factors, because if you leave those factors open, you are going to have those people who think that grain sorghum ought to be supported as high as corn—and most of the producers think so—they are going to be right up here.

Those people who think grain sorghum ought to be supported at no more than 90 percent of corn are going to be right up here, and those people who think grain sorghum ought to be supported at about 95—where I think it ought to be supported—are going to be right here, all arguing with you all summer about what this actually means.

You are going to have confusion at planting time—you cannot help it—because as long as you have the right to change your regulations, as you have under this, everybody is going to try to argue you down.

On the other hand, if it is agreed that a pound of grain sorghum is worth 95 percent as much as a pound of corn—and I think that that is a reasonable figure—we could simply say that if you are supporting corn at \$1.20 a bushel, you would support a hundredweight of grain sorghum at \$2.04.

If the support of corn is \$1.30; then that is \$2.20 for a hundredweight of grain sorghum. Grain sorghum is sold by hundredweights and not by the bushel, as you know.

It seems to me that if we just write the plain figure in there, we would have no more argument about it.

That is merely a matter of administration. I know it is not anything which is fundamental or vital, but it just seems to me to be one of those things that would save us a great deal of trouble in the future.

I wonder if you see any objection to doing that?

Secretary FREEMAN. I see no objection to doing that.

Mr. POAGE. Mr. Jennings.

Mr. JENNINGS. Mr. Secretary, I notice you limit this retirement to 20 percent, the original retirement to 20 percent. What is the reasoning behind that limitation of 20 percent?

Secretary FREEMAN. Budget, primarily. This was envisaged as the cash payment part, designed to remove from 600 to 700 million bushels from the market, at what we felt was a practical figure, and then to have the alternative, the option, on the payment-in-kind, which, of course, does not remove as much from the market and would not have the effect of strengthening the price.

Mr. JENNINGS. Would there be any objection to saying 25 acres or 20 percent, whichever is greater? I am thinking now particularly for the smaller farmers who might get into the program.

Secretary FREEMAN. I think your point is well made. What you are really saying is that it would apply to a farmer who had up to 15 or 20 acres. I think that would be a sensible amendment, and we certainly would see nothing to disagree with in making it.

Mr. JENNINGS. That is all.

Mr. POAGE. Thank you.

Mr. QUIE?

Mr. QUIE. In the first part of your bill, Mr. Secretary, when you set the dollars-and-cents figure of the support level, this is different than all the rest of the bill which gives you complete jurisdiction to handle the program.

Why did you not just propose to change present law which fixes the price support at the 65 percent parity, and give yourself latitude and go ahead and set the support level at whatever level you wanted to?

I might say at the outset, too, I think you made a good presentation here. I like the idea of voluntary retirement of land, and there are many good, strong features of this bill that I think ought to be enacted into law. But I know one of the problems we are going to have in passing this legislation.

The price support level is one part which is going to make it difficult for us to pass. We should grant the Secretary the power to set the support level as he, in his wisdom, decides is right for these various commodities.

In the past we have given considerable latitude in all of the other commodities with the exception of corn. Why would this not be acceptable to you?

I know the political pressure would be on you instead of us, but other than that, what objections would you have?

Secretary FREEMAN. That is to be expected. I am not an elected official; I am no longer in that position, Congressman.

To answer the question directly, if this committee and the Congress in its wisdom saw fit to give this discretion to the Secretary of Agriculture, I would be happy to assume it as part of my responsibilities.

It has been my experience that legislative bodies, by and large, are often not too anxious to give discretionary authority to the executive branch of Government, and so I am being conservative here this morning.

Mr. QUIE. But there was only one time, as I recall, that we actually set the dollars-and-cents figures, and that was last year in dairy products.

I think that would not be necessary for you as Secretary to set the dairy products price support level, nor do I think it should be necessary in this bill.

Secretary FREEMAN. There is an additional factor, Congressman, in that we do hope to illustrate by this means what we are trying to do.

Without a set figure, it becomes extremely difficult. Then we would have to say—I expect we would ask for discretionary authority—if we had it, this is what we would do.

This assumes that you would see fit to grant it. I would prefer not to assume until you do so. But if you do so, I will exercise it, to the best of my ability.

Mr. QUIE. You indicate that you would set the payment at 60 percent on the first 20 percent and the two-thirds on the second 20 percent of crops retired, I personally feel this would not be too high because

as the farmer reduces the portion of his acreage in production, his overhead is practically the same.

About all he saves is his seed and fertilizer and the gas to run across those acres.

So, really, his net profit on those acres is an extremely high percentage of his gross return.

Mr. POAGE. Would the gentleman yield right there?

I want to make it clear that what I was saying was not that it was too much for the farmer, but that we are going to be faced with the newspaper accounts that you were paying that farmer two-thirds of his gross income because he could otherwise realize that much net profit.

That is all I am saying: That they will hit us over the head with that with a misleading argument. I agree with you, Mr. Quie that the farmer actually makes a very small net profit out of his gross.

Mr. QUIE. Good.

Now, if you were going to increase price supports on soybeans to \$2.30, this would mean, would it not, that you would have to continue the Public Law 480 donations of oil?

Secretary FREEMAN. It is extremely difficult to predict with real preciseness market and demand conditions, but we would assume that there will be a continuation of Public Law 480.

I think the President has indicated that this is an important program, has established a food for peace coordinator. Nothing is more important in this program than vegetable oil, unless it be dry skim milk, and, as such, it will depend upon his judgment and the judgment of the Congress.

This is kind of—let us put it this way in terms of alternatives, if I may:

I think the U.S. Government and the American people would be a lot better off in having more soybeans than having more feed grains.

Mr. QUIE. The functioning of this program is going to depend on the judgment you use. I would imagine there will be continued demands, then, that if you provide the oil for foreign donations, that you will also provide it for domestic donations.

This is an area of great concern to producers of dairy products, and there has always been a concern about providing vegetable oils for donations in this country. While in the past we have used butter, when it is in surplus, for donations.

What would you be likely to do in that case?

Secretary FREEMAN. I would only say that in our own country, why, we run pretty strong on fats in our diet. As you know, there has been in the direct distribution program now very substantial quantities of lard being distributed, and butter is being directly distributed.

We recently purchased several million pounds of butter and are continuing to do so.

Really, the big deficit area in connection with the vegetable oils is in terms of four areas, both the commercial market which has been strong, and also the program as it develops under Public Law 480.

Exactly how it will develop, I certainly do not know. I do not think anybody could be precise. But I would go back to what I said before, and if I had my "druthers," I would rather have soybeans than feed grains stored at this time.

Mr. QUIE. Could I paraphrase you in saying that it is very unlikely that you will provide vegetable oils for donations in this country?

Secretary FREEMAN. I would hesitate to say that we would not. You mean for direct distributions? I really would not know.

The likelihood is not that there would be any substantial amount, because the fat diet has not been as limited here, and there is a heavy distribution program of butter.

I would not say to you, Congressman, that I would absolutely foreclose the possibility of any vegetable oils in a direct distribution or food stamp program.

I think the likelihood that it will have as strong an emphasis as it will have in foreign programs is pretty slim.

Mr. QUIE. In your answer to Mr. Jennings you set the figure at 20 percent that must be retired in order to receive price supports.

Why did you limit diverted acres to an additional 20 percent? Why not an additional 30 percent in order that voluntarily they could take more out for payment-in-kind, if they so desired. In this way you could accomplish more in your program?

Secretary FREEMAN. Very frankly, because we would prefer that the family farmer stays in business, instead of going out of business. And if he gets over 40 percent in the conservation reserve, I think he might very well go out of business.

Mr. QUIE. You mean if he puts in 50 percent of his corn acres in the conservation reserve, instead of 40 percent, that might be his determination to go out of business?

Secretary FREEMAN. That is a value judgment, but as you begin to consider the economics of it, this might very well be the case.

He might be able to paint a house in town and make up the difference and go out of business for a while. You have seen him do that in Minnesota and so have I.

Mr. QUIE. That was when whole farms go out under the conservation reserve. I do not think there are any statistics that show under the acreage reserve people put their corn acreage in the reserve and then left the farm. I think under the conservation reserve the whole thing was different.

Secretary FREEMAN. I would not presume to be argumentative about it. It is a judgment value factor and, furthermore, we felt we would be accomplishing the purpose.

If we could get 40 percent, why, we will begin to substantially eliminate the present heavy stocks we have in hand, and this is an emergency program, and we, as I say, begin conservatively.

Mr. QUIE. Now, on your other recommendation that you be allowed to sell back onto the market, and, as you have amended this, the present support level which is \$1.06 would be the floor. Would this mean that this would be for corn, then, about a 14-cent difference between compliance and noncompliance?

Secretary FREEMAN. If the program worked perfectly, and we had the amount of compliance that we sought, we would have the price that would clear the market at \$1.20.

Mr. QUIE. You mean you would sell back at the current or at the new support level, rather than at the old support level, as your amendment provides?

Secretary FREEMAN. What I am asking the Congress to do is to give the Secretary the discretionary authority to do so if in light of all of the developing circumstances it seems the wisest thing to do in relation to the total picture.

I really could not give a yes or no, or a dogmatic answer, on that, because we, of course, are estimating now and cannot be precisely sure what will take place.

Mr. QUIE. But is it true that the difference could not be greater than 14 cents on corn?

Secretary FREEMAN. In this instance, it could not be any greater than that; no. Actually, \$1.05 probably, because that is the estimated level on corn for this year, if nothing were done—I mean based on the present law.

Mr. QUIE. What kind of compliance do you expect when you use the figure of \$500 million for cost of the program? What kind of compliance do you expect to receive?

Secretary FREEMAN. We expect to have 70 percent compliance. This is what we are estimating.

Mr. QUIE. This is 70 percent of the acres?

Secretary FREEMAN. We are thinking in terms of acres. This would take some 14 million acres out of production.

Mr. QUIE. 14 million will be out of production?

Secretary FREEMAN. This is the estimate.

Mr. QUIE. And for the remainder, then, they would be receiving \$1.20?

Secretary FREEMAN. For the remainder, the complier would receive \$1.20, would be entitled to loan, and then, depending on what happened in the market, to receive——

Mr. QUIE. If you had to enforce that difference of 14 cents, would you expect, then, all of that \$1.20 compliance corn to go into storage and the market would then be furnished from Commodity Credit stocks?

Secretary FREEMAN. This is the question that, very frankly, I cannot answer, because we just do not know what compliance would be.

If we had 90 percent compliance in this program, why, it probably would be a very minor one.

If we had 30 percent compliance in this program, the problem would be a minor one.

If you are somewhere in between, the problem would be a major one, and I would not feel that it would be appropriate to be specific on hypothetical situations that are, at best, based on estimates that we will have to see how they develop.

Mr. QUIE. Do you have a further inducement of payments for vegetative cover on the land taken out of production?

Secretary FREEMAN. No; we will require that that be done as a part of qualifying and that the land be properly cared for.

Mr. QUIE. So then the expense of the program would be the payment to take land out of production, the difference between the \$1.20 and the resale price?

Secretary FREEMAN. Whatever it might be.

Mr. QUIE. Whatever it might be?

Secretary FREEMAN. Correct.

Mr. QUIE. And then, of course——

Secretary FREEMAN. Plus the payment-in-kind, if you want to consider that. That is what we have now.

Mr. QUIE. Would you object to payment-in-kind for the first 20 percent?

Secretary FREEMAN. The only problem on that, Congressman, is that it would not really accomplish the purpose of removing X amount from the market and raising the price level, because what we would be doing, on the one hand, is saying we want to take corn out of the market; and, on the other hand, we would be putting corn into the market.

The net result is you are going to have almost as much corn in the market as you had before.

So you are not going to stabilize at the \$1.20 price; you are going to be somewhere below that unless you shove out a lot more than the number of acres that you are trying to withdraw.

That is the weakness of the payment-in-kind. After you get the 20 percent out of it, why, then, the payment-in-kind, because we hope the price will be stabilized at a workable level, and from then on out, why, it would be merely working down our so-called surplus stocks.

Mr. QUIE. Have you taken into consideration, then, the effect that the surplus wheat would have as feed grains? I understand that you will be coming up with a wheat proposal some time in the future. We hear it is going to be a certificate plan.

I know you will bring it up here, but there are many worries in the feed grain area.

This, then could throw a substantial amount of wheat on the feed grain market and greatly lower our prices.

Secretary FREEMAN. I would only say that I am very conscious of this problem.

Congressman, you operate a dairy—hog farm not very far from where I own a share in one, and I can assure you I am conscious of this problem.

We do not raise any wheat on our farm and I would guess you probably do not either.

Mr. QUIE. That is right.

Secretary FREEMAN. And you are conscious of this problem. I assure you I am conscious of it.

We are working on this now and recognize the interrelationship and the complexities that flow from it, and would hope, if the Congress is kind enough to pass this bill by the 7th or 8th of March, so we can go to work, that we would have within a couple of weeks after that, before the appropriate committee a program which, at this time at least, I think directed toward the combined wheat and feed grain area.

Mr. ALBERT. Mr. Chairman, would you yield on that one point?

Mr. QUIE. I yield.

Mr. ALBERT. Regardless of that, the only comparison you can make between wheat and feed grain programs under this bill is on the existing wheat program, because this is a 1-year program and the next wheat bill will not affect this year's crop.

Secretary FREEMAN. Thank you, Congressman.

That is absolutely right.

Mr. POAGE. Mr. Breeding?

Mr. BREEDING. Mr. Secretary, I wonder if you have given consideration to letting the farmer plant this entire acreage of 20 percent into some nonsupported and nonsurplus crop without receiving the payment?

Secretary FREEMAN. We have given consideration to it, but we had concluded that it would be sounder to have it in conservation.

This involves some real administrative problems, when you start getting into other areas.

Mr. BREEDING. In my area, there seems to be considerable support for growing other crops, other than those that are in support or in surplus.

I thought perhaps it might save considerable money.

Secretary FREEMAN. This is a problem that I gave some thought to because we are working a little bit on the wool bill and we have a program that is calling for more wool. Well, maybe you could graze this with some sheep, but when we reviewed the problems that flowed from this administratively, at least as an emergency program, we thought that we would keep it as brief, precise, and clear as possible; and there will be enough administrative problems without getting into this one.

And this would be our recommendation: To hold it to conservation purposes.

Mr. BREEDING. Thank you, sir.

Mr. POAGE. Mrs. May?

Mrs. MAY. Mr. Secretary, I know you come from the State of Minnesota, but I was wondering what the possible effect of this bill would have on those people from feed deficit areas from which I come, or in the Northeast, where there is a great deal of feeding of dairy and poultry. Would the producers in these feed deficit areas be able to plan ahead for their feeding operations?

They would not know ahead of time what the Government might do with these stocks of feed grains.

What would be your answer as to what effect this legislation would have on the livestock, dairy, and poultry industry?

Secretary FREEMAN. Madame Congresswoman, there would be:

(a) As much feed grain on the market as would clear the market, and as would be used. All we are seeking to eliminate is that that would go into surplus stocks. That is No. 1.

(b) I think this program would redound to the very great benefit of the feeding areas of livestock or hogs or poultry, because, as we have a surfeit of grains, we then get the corn-hog ratio and other ratios out of balance and we end up with the cycle taken over and we end up with price breaks.

I would predict, if nothing happens, we are going to have one, and I think that the history is that cheap feed usually means cheap hogs, cheap beef, cheap turkey, cheap eggs, and cheap everything.

Mr. POAGE. Mr. Coad?

Mr. COAD. Mr. Secretary, I want to express my personal appreciation for your coming here this morning and congratulate you on the fact that you have been a very good student of the feed grain situation.

I find you are a very adequate witness in this regard. I would like to ask this question:

Has the support price of soybeans been announced at \$2.30, or is it a proposed support price that will be announced, if this bill is enacted?

Secretary FREEMAN. It has not been announced formally, but it is my intention to so announce it and to seek to divert to corn acres.

Mr. COAD. Whether or not this bill is passed?

Secretary FREEMAN. That is my present plan. I am still thinking about this a bit, to be very frank, but I think that there are two things here:

One is to cut back some acres for a while.

The other is to divert them into things that are more usable.

We hope they can proceed together, but I think we would do what we could independently, and that would be my present thinking.

Mr. COAD. If this committee, or the Congress, comes up with a bill with supports at \$1.30 on corn, and with the conservation acres payment cut somewhat, would you recommend a veto of that bill?

Secretary FREEMAN. Would you repeat that, please?

Mr. COAD. If the Congress presents the President with a bill calling for \$1.30 price supports on corn with a somewhat reduced payment for the conservation acres, would you recommend the President veto that bill?

Secretary FREEMAN. I would want to study it carefully, but at this moment I certainly would not.

Mr. COAD. Would you feel that 15 cents below the loan level, which would be the \$1.05-\$1.20 relative values, is sufficient to get the compliance that you need?

Now, obviously you do, by reason of the fact that you have recommended it. But I would like to call to your attention that it was at the rate of \$1.25 and \$1.10 just 3 or 4 years ago that the previous administration had this program, and that that was what broke the back of the \$1.25 price support.

Now, how do you feel that the situation is now different so that the same 15-cent difference will now get compliance that it did not get then?

Secretary FREEMAN. Because we are paying 60 percent by way of cash payment for retired acres, plus the option to get 66⅔ for payment-in-kind.

Mr. POAGE. Mr. Secretary, that is section 3 of the bill?

Secretary FREEMAN. Yes, sir, section 3 of the bill.

Mr. COAD. What is in section 3 of the bill other than the sales program?

Mr. POAGE. The Government is going to throw it right back in the market at \$1.05.

Mr. COAD. He can still get \$1.05; that is the point.

Mr. POAGE. He cannot do it under the original bill. He can do it under the amendment.

Secretary FREEMAN. The real point is the payments.

Mr. COAD. But I am somewhat questioning the advisability of putting a lower limit on this.

Why do we have to say that we are going to save this—

Secretary FREEMAN. Let me say this:

The difference between \$1.20 and \$1.30—and there is some difference here, and I started out with the \$1.30 figure—the first is that as

you set the support up, you are going to have some more intensive cultivation, or at least this is a possibility.

Secondly, I am concerned in the ratio between soybeans and corn.

Therefore, it seemed that it would be more practical to have it at \$1.20. I gather, also, your question is:

Why have any limit on where the price might go?

May I just say I am being conservative.

Mr. COAD. You are being conservative?

Secretary FREEMAN. I am asking for limited powers from the Congress, not unlimited.

Mr. COAD. But somehow you know we might be able to trust our friends in this instance, and my point is——

Secretary FREEMAN. Thank you.

Mr. COAD (continuing). That if there is a real threat that the price could go to 85 or 95 as the market price has been doing in the past, even under the present price support program, why should we hold out and say: "Now you can produce at \$1.05, because I am aware that you can fertilize and you can do everything else to increase your planting population, and that there are those who can make money at \$1.05 under certain conditions."

Now, if by planting out of these acres at \$1.05 you are putting in a two-price support bill here under this situation—and I do not wish to belabor the point—but I question the advisability of coming in with a two-price support level on this.

Would you feel—you have been very cooperative—that this amendment that you have brought in this morning is something to which you are strictly wedded?

Secretary FREEMAN. Yes, sir.

I would leave this to the discretion of the Congress and this committee. If you wish to give that authority, why, I am limiting it because there were some expressions of real concern in connection with it, and so we have limited it, as you note.

If this committee and the Congress, in their wisdom, saw fit to leave it wide open, why, I would administer it to the best of my ability.

Mr. COAD. It seems to me that the threat that you have in your hand, at least before the final planting date, is your most potent weapon, and you have tied, to a degree, your own hands in this regard by this amendment.

Secretary FREEMAN. You are correct. Absolutely, it does.

Mr. COAD. Now, why has there been the discussion here this morning on grazing?

Is it possible under this bill—and I may direct this question to the chairman—is it possible under this bill to graze these conservation acres?

Mr. POAGE. Under the bill it is possible, but I have talked with the Department and I understand they would not allow that.

Secretary FREEMAN. Yes, sir.

Mr. POAGE. I want the Department to tell us in a little more detail, when we get down to it, what they propose to do by way of regulation, apart from the bill.

That is entirely under regulations which are authorized under existing law and there is nothing in this bill which says you can graze or cannot graze it.

Secretary FREEMAN. Our proposal would be to require that they put in adequate cover crop or leave it fallow and it would not be used for grazing or any purpose.

Mr. COAD. I notice on the charts you have presented to us you allow for a small part of the payment-in-kind corn to be resealed.

Would there not also be action there to prohibit the resealing of payment-in-kind grain?

Secretary FREEMAN. This point, Congressman, was to illustrate—and I did not use that chart yet—what the problem is in connection with payment in kind; and that chart refers to all payment in kind.

Mr. COAD. But am I not correct in assuming that either by law or administrative action, there would be prohibitions against the collecting of corn on a payment-in-kind basis and then resealing?

Secretary FREEMAN. Now you have got me stumped on that one.

Oh, yes, I understand now.

Yes; there would be.

Mr. COAD. That would be prohibited?

Secretary FREEMAN. That would be prohibited.

Mr. COAD. Thank you very much.

Mr. QUIE. Would the gentleman yield for just one more question?

What about transfer of acreage to soybeans? Is there not a possibility of a person reducing his hay land and putting it into soybeans under this, or will you protect against that by administrative action?

Secretary FREEMAN. We would make defense on that by administrative action by saying land in fallow or in pasture would not be permitted to be put into soybeans and qualify.

Mr. POAGE. Mr. Short?

Mr. SHORT. Mr. Secretary, I want to commend you on making a very forthright and frank statement about this very complicated and very difficult subject that we have to deal with.

Without taking too much time, I think I should point out to you that there is one group of people who do not subscribe to the basic contention that cheap feed necessarily means cheap prices, and I am thinking of the people whose business it is to produce feeder cattle.

They look upon anything in the way of a price increase of feed grains as something that almost must result in a decrease in the price that the feeder is able to pay for feeding cattle.

He must come out with something of a profit or he is not going to go into the business, and as his costs increase in one area, they almost assuredly must be decreased in another.

Now, I know this is a controversial subject, and I know many people do not agree with my philosophy on this thing, and I know many people do not agree with the livestock people on this thing, but they are very sincere in their belief that any increase in the price of feed grains has to result in a decrease in the price of feeder cattle.

I am not particularly asking you to comment on that, Mr. Secretary.

Secretary FREEMAN. All right, sir.

Mr. SHORT. I just wanted to make it clear here before the committee and this hearing that this is the current opinion at least of the livestock people, at least a great number of them.

Another question that comes to my mind, sir, is: What is going to be the effect of this increased price for feed grains on the pressure that will develop for larger importations of food grains?

Do we have adequate protection under our present laws to restrict increased importations of feed grains?

Secretary FREEMAN. I am not really prepared to discuss that subject. It would have no effect on this bill because we would maintain supplies in the marketplace up to the present level and adequate to meet demands.

I do not think it will cause any increased pressures.

Mr. SNORT. Thank you.

There is one more observation that I would make.

It seems to me that this approach has the same basic weakness that some of the other price-support programs have had in that we attempted to establish a desirable price, perhaps a proper price as far as the farmer was concerned, for the product that he produces, and yet we did not quite provide for the positive control of production that was necessary, if you were going to keep production within the realm of our needs.

Do you think that possibly this should be tightened up a little bit more with a little additional cross-compliance in order to keep these people from pouring on more fertilizer, to keep people from producing only from their very best acres?

Obviously, they are going to retire the poorest ones still under the land retirement aspect of it.

Secretary FREEMAN. Well, very frankly, this might be desirable, but I think it would be impractical. We have taken, to the best of our ability, these factors into consideration in making our estimates in what we would call slippage. I think to tell someone what kind of seed he could use and how much fertilizer he could use would be rather impractical.

This is a real problem in feed grains, as you know, and it is a real problem in acres, as distinguished from bales, bushels, or pounds.

I think, in the long run, we are going to have to move in the direction of bales, bushels, and pounds. But this is an emergency program, and I hope and I believe it will work. I assure you that we have worked hard on it, and hope we have estimated correctly.

Mr. SNORT. There is another aspect of this bill that concerns me a little, and that is the effect on the smaller farms.

Now, this is one of the considerations that has always been a very difficult one in dealing with any program of reduction.

You get down to the smaller farmer that does not have many acres and he perhaps is not doing too well if he produces the capacity from all the acres he has.

If you are going to require him as a consideration for eligibility for price supports to retire at least the first 20 percent, he obviously is not going to get the dollar return that he would, if he cropped the land.

Are we not going to be in a position of almost inevitably reducing the income of this small farmer, who, after all, is the one that is in the economic difficulty, and he is the one that we probably should have the greatest concern about?

Secretary FREEMAN. First, I do not think it will decrease his income; I think it will increase it.

Second, Congressman Jennings just made the opposite point a little while ago that we ought to let him put the whole thing in, if he only had 15 or 20 acres.

I think we could do that. Someone with 15 or 20 acres undoubtedly has other crops and other income on the side, and he is going to do better with this than he would have done otherwise.

In this program his income is going to be strengthened, not weakened.

Mr. SHORT. I do not quite agree with that reasoning that his income is going to be even maintained, because his fixed costs remain the same; but, then, we will not debate that issue any further.

Just one final question, Mr. Secretary. I am a little curious to know what reasoning you went through in arriving at the years 1959 and 1960 as the years to use to establish this feed grain base.

Now, there are several factors that come into the picture right now that make those years almost inevitably provide an imbalance as to what would be a fair feed grain base over a longer period of time, and I am thinking of the increase in corn production over the past couple of years, and perhaps the increase in some of the other feed grains over the past couple of years, as we have cut back or tried to cut back on wheat production.

Secretary FREEMAN. The best judgment was that this would be the most workable base administratively. There was a program back in 1958 where there was a problem of who complied and who did not comply.

All things considered, it was the recommendation of the people who have administered these programs that we, under these circumstances, would be in a stronger position with the base that is named in the bill.

Mr. SHORT. I am reminded of the experience that we had under the wheat program a few years ago when some people, kind of late in the season, realized that—I cannot remember what year it was that was going to be used——

Mr. POAGE. It was 1956.

Mr. SHORT. It was one of the years. It was going to be used for establishing the wheat base, and a lot of people went out and planted all the wheat that they possibly could in the spring, with the primary objective of increasing their wheat history.

Secretary FREEMAN. Yes?

Mr. SHORT. It seems to me that you are dealing, to a considerable degree, with that same premise here, and that some people, perhaps through no fault of their own, are going to be subject to some unfair reductions in their feed grain base while others are going to benefit by some increases because they just happened to put in a large acreage of feed grains in the last couple of years.

Secretary FREEMAN. Let me just read into the record the basis upon which this judgment was made, so that you can review it when you pass final judgment.

The major reasons why the average acreage devoted to each respective feed corn in 1959 and 1960 are being recommended for use as the 1961 farm base acreage are, as follows:

(1) To use 1960 only would result in many inequities due to rotation practices being carried on, on many farms. It would also result in more accidental participation and less diversion under the program.

(2) To use 3 or more years would require crediting diversion on participating farms in 1958 and prior years in the commercial corn

producing area. The data for 3 years back would tend to be less reliable, based upon prior experience in picking up other historical data, and it would require more work to establish acreages which would probably not be as equitable as using the 1959 to 1960.

(3) The additional time required to pick up the data for 1959 is relatively small, compared to the anticipated advantages which would be gained through a 2-year base.

This is the best judgment of the people in the Department who have been administering the program.

Mr. SHORT. Thank you, Mr. Secretary. Thank you, Mr. Chairman.

Mr. POAGE. Mr. Hagen?

Mr. HAGEN. Mr. Chairman, some of my questions have been asked, but to get back to the soybeans, what is the value of the Government inventory of soybeans?

Secretary FREEMAN. As of now?

Mr. HAGEN. What is the net investment?

Secretary FREEMAN. Very, very small. I do not have the precise figure. It is very small.

Mr. HAGEN. You do not anticipate it will increase in response to the price supports?

Secretary FREEMAN. I think it could. Of course, I am not sure what is going to happen in connection with either soybeans or vegetable oil in the next year, but I would only say, Congressman, that if the alternative is having more corn or more soybeans, I think I will take the soybeans.

Mr. HAGEN. To get back to this competition of cottonseed oil, are not soybeans and cotton seed pretty competitive both with respect to oil and residue meal for livestock feed?

Secretary FREEMAN. Correct, and there will have to be adjustment accordingly in the cottonseed oil. You have prescribed that by law.

Mr. HAGEN. No. 3, would this program not be made more practical if you set up some kind of a formula making a substantial partial payment at the time of entering into these contracts and perhaps the farmer could use this money to finance the remainder of his crop without expensive bank charges and so forth?

Secretary FREEMAN. You mean if he indicated that he would comply before he put his crop in, you would pay him something?

Mr. HAGEN. The moment he signed up, you would give him 50 percent or some other partial payment. If he had the cash in hand, he could operate more economically from that point on because of a reduced necessity to borrow money.

Secretary FREEMAN. We would certainly be happy to consider that, Congressman. It is a thought. I do not know what we would do if he did not have a crop.

Mr. HAGEN. Well, the Government has made payment in advance on other items including payment of storage charges.

Finally, on this question of imports, I assume that one impact of this program is to raise the price of feed grains?

Secretary FREEMAN. Yes, sir.

Mr. HAGEN. That, in turn, raises the price of red meat and poultry?

Secretary FREEMAN. We think not.

Mr. HAGEN. I just want to point out that one of the major problems of the producers of red meat is this matter of foreign competition which is increasing daily. Particularly it is a problem to west coast

producers. So I think some consideration should be given if this program is adopted to urging improvement of duties or quotes or something, with relation to foreign meat imports because a rise in the price of domestic animals is possible and more foreign imports would be attracted.

Secretary FREEMAN. The Secretary has powers in this direction, and I assure you, we are cognizant of this problem and will act appropriately.

Mr. LATTA. Will the gentleman yield?

Mr. POAGE. Mr. Latta.

Mr. LATTA. Mr. Secretary, I want to commend you and the Department for a forthright statement. I think the approach is a proper approach. I like the voluntary features. I particularly like the land retirement. I like the payments-in-kind. I supported the same in my last campaign.

I have a question I want to raise. Did you make the statement that you did not think under this program we would get our best land into participation?

Secretary FREEMAN. I think it would be the tendency of the farmer who may have 100 acres in corn, if he is going to take 20 acres out, I think probably if he takes 20 acres out, it would be the least productive of the 100.

Mr. LATTA. What you meant is on that farm?

Secretary FREEMAN. Yes.

Mr. LATTA. I thought you meant our best farms generally.

Secretary FREEMAN. No, I mean on the farm, the individual farm, that would be the individual choice. We have taken that into consideration in our estimates.

Mr. LATTA. I think that is the right approach and under it you might get some of our better farms into the program. The highest price paid under the farm program for land in my district was about \$20 an acre. Some of our farmers were paying \$600 or \$700 an acre for this land and under the circumstances you could not expect them to participate in the program. It is good, productive land, and I think under this, you may get some of that good productive land into the program, based on the past history of that farm.

Secretary FREEMAN. Yes, sir.

Mr. LATTA. I think that is a good feature.

Another question that comes up into my mind is the practical aspects of the program. You have a farmer who, in 1959 and 1960, did not sell any of his corn. He put it into the bin, binned it, and did not measure it. You come out and he says:

"Well, I had maybe two-thirds of a bin full of corn." How are you going to ascertain the amount of production that farmer had in 1959 and 1960 on his farm?

Secretary FREEMAN. Well, I am informed that we have in the ASC county offices aerial photographic plots of virtually every farm in the United States of America. We are pretty well informed even right now as to what has been produced and for about how much.

Furthermore, I think most people are honest, and when you ask this question, most farmers are going to give an honest answer. As a practical matter, I think we are going to meet that problem.

Mr. LATTA. I do not get from your answer that you are going to take farm A and base this on production that farm B might have, one productive and one nonproductive side by side?

Secretary FREEMAN. No, what we would do would be sure A takes 20 percent of those acres out. We would then pay him, based upon a \$1.20 support price, the average of production he had had. That information is available to the county committee; it knows what land has been planted, and this does not present any grave administrative difficulties, I am informed.

Mr. LATTA. In the final analysis, though, the situation notwithstanding where the farmer did not market any of his corn in 1959 and 1960, you will have to take his word for it that he raised 100 bushels per acre.

Secretary FREEMAN. Either his word or the word of his neighbor, who might be on the county committee.

Mr. LATTA. That is a possibility.

I notice that you had no hesitancy about your authority to raise soybeans to \$2.30 a bushel. But there was some hesitancy on your part about having the authority to raise the corn. You would prefer to have it in the bill. Would you explain that?

Secretary FREEMAN. The law presently gives the Secretary that authority, so I had no doubt of that authority resting with the Secretary of Agriculture. I am now Secretary of Agriculture, and I come before this committee in a conservative frame of mind, asking for modest increases in the power of the Secretary of Agriculture. If you are more generous, I shall try to act appropriately.

Mr. LATTA. Now, with regard to payments-in-kind, the payments-in-kind section of this bill, beginning on line 9 of page 3 says:

Payments-in-kind shall be made through the issuance of certificates redeemable by the Commodity Credit Corporation in accordance with regulations prescribed by the Secretary for feed grains or, at the option of the producer—and this is the point I had in mind—

at the option of the producer to whom the certificate is issued, for cash.

Now, what percentage of those people do you think will take the cash rather than the payment-in-kind?

Secretary FREEMAN. Frankly, Congressman, it does not make any difference what will happen; this is merely an administrative method of accomplishing payment-in-kind, because if they saw fit to take cash for their certificate, we would then release a proportionate amount of corn on the market. That would provide the cash to pay, and the corn would be on the market. It would save us from the necessity, perhaps, of actually physically transporting feed grains from one part of the country to another in order to actually make a physical payment-in-kind. So this is purely an administrative mechanism that accomplishes the same purpose.

Mr. LATTA. Well, as far as the market itself is concerned, though, it is only going to absorb so much corn, right? In other words, either it comes from the payment-in-cash feature or from direct savings.

Now, to displace that market in some feed grains, are we actually reducing it if we give the producer the option to take the cash?

Secretary FREEMAN. No, he is not given the option there. That is payment-in-kind, period. But the method of making the payment-

in-kind would permit him to take cash, at which point we would put the same amount on the market. So in effect, we are paying him in kind, because if we gave him 100 bushels, he might take it down to the warehouse and sell it and take cash. In this instance, we just short circuit it one step and give him the cash and put that on the market. It is purely administrative in nature and has nothing to do with payment in cash.

Mr. LATTI. I might be reading this wrong, but it reads to me "at the option of the producers."

Secretary FREEMAN. I know it, and I had the same trouble, may I say, when this was first drafted. It has been corrected now, and I have looked into it personally, carefully. It does not say what it seems to say.

Mr. POAGE. I want to interrupt to recognize Mr. Bass, and ask him if he has any questions he would like to ask.

Mr. BASS. Oh, I do not have anything to say.

Mr. SHORT. Mr. Secretary, the question comes to my mind, in connection with Mr. Latta's inquiry, if the cash payments for this second 20-percent retirement can only be made out of funds received, do the payments come from funds received from the sale of Commodity Credit Corporation stocks?

I see John shaking his head. I must be wrong.

What I am getting at is, what assurance do we have that the market is going to absorb these Commodity Credit Corporation stocks at this new price that would be established by virtue of the amendment that you have just suggested to the bill?

Secretary FREEMAN. You mean that the money would be available in order to—

Mr. SHORT. If I understand the rider, Mr. Secretary, the money that would be used to reimburse the farmer in cash for this requirement would come from the sale of Commodity Credit Corporation stocks.

Secretary FREEMAN. Correct.

Mr. SHORT. All right. What assurance do we have that the market would take these stocks as you would release them, not because the market demanded them, but because you needed the money? Maybe the market would not be receptive to taking these stocks.

Mr. ALBERT. Mr. Short, would you yield?

Mr. SHORT. Yes.

Mr. ALBERT. What assurance do you have that a sale of corn will bring as much as the certificate calls for? You pay a man by certificate X dollars per bushel. Then you sell the corn somewhere else. What assurance do you have that you will come out?

Secretary FREEMAN. Because you sell enough corn to make up the amount of cash on the face of this certificate.

Mr. SHORT. But you cannot sell the corn below this price that has been established, this support level. Suppose the market would not support it at \$1.05?

Secretary FREEMAN. I am advised—

Mr. POAGE. Let the Secretary answer the question.

Secretary FREEMAN. I am advised by the general counsel that this corn would not be limited by the provision of the \$1.05 limit.

Mr. SHORT. You can sell it below the \$1.05?

Secretary FREEMAN. If necessary in order to accomplish that purpose. We assume the program is going to work and the market, by this time, would be at a level where this could be done. I think to get back to your question, Congressman Short, whether the program will work: We hope it will, and you will conclude it will if you pass it.

Mr. SHORT. The only thing I was getting at is we do not quite know what the degree of participation in the program is going to be. You know what you hope it will be, but until we do know that, we do not know what the price of corn is going to be in the market.

Secretary FREEMAN. I think your question is proper. There are infinite varieties of hypothetical questions and suppositions and possibilities that might be posed. I am sure there are some that I cannot answer in this area. But if we start with the assumption that the program works along the lines we indicate, why, we would be able to perform accordingly. If it does not work, I trust you will decide that and you will not pass the bill.

Mr. POAGE. I believe all the members of the subcommittee have had an opportunity to ask questions.

Mr. HARVEY, we are glad to have you and delighted to have you ask questions, sir.

Mr. HARVEY. Thank you, sir.

I want to congratulate the Secretary on the dispatch with which he has approached this problem of feed grain and the surplus that exists. Most of the questions that I had in mind have already been asked, and I think a very fine job has been done on both sides.

There are two or three things that I would like to ask that are probably not of great importance, but I do think they ought to be determined, if possible. One is: What attitude have you found (I presume you have contacted) by the soybean association. Have they taken any particular stand concerning this proposed increase in soybean production?

Secretary FREEMAN. Not to my knowledge. There has not been any response from them in connection with it.

Mr. HARVEY. I realize, of course, the program is a 1-year program. I presume you would call it a sort of trial run?

Secretary FREEMAN. Yes, sir.

Mr. HARVEY. And you will find out just what could be done in this area. I do happen to know that, although I am not primarily a soybean producer, myself, I do know a good deal of work has been done by the American Soybean Association in promoting the sale of their product, particularly abroad. I think they have done a very fine job on their own in increasing the foreign demand for their product.

Secretary FREEMAN. Yes, sir; they have.

Mr. HARVEY. They have thereby been able to keep their product out of trouble.

It does seem to me that in this instance, very serious consideration should be given to whether their efforts have been satisfactory and successful enough to expand to the degree that you think this program will produce. I simply offer that as a suggestion.

Secretary FREEMAN. Thank you.

Mr. HARVEY. I think I shall commend you at this stage on a 1-year program in abandoning the idea of including small grains in the program, because it is going to be sort of academic, anyway, I think, if we are able to get the program enacted.

I do think, however, though, Mr. Secretary, that any long-range program will just have to take into consideration the whole feed grain picture on some basis or other.

Secretary FREEMAN. Yes, sir.

Mr. HARVEY. I would like to ask you what plans you have in mind for expanding the export market for our feed grains?

Secretary FREEMAN. I have already conferred with a number of Ambassadors from other countries—Israel, Japan. We organized and I hope stimulated our Foreign Agricultural Service, have appointed a new Director of it who is a career person, who has been in this program for 20-plus years and is highly recommended both in terms of leadership and technical knowledge. We expect to give this a great deal of attention in terms of improving our standards, and providing better enforcement. In connection with various kinds of commodities that are moving abroad, strengthening the intelligence service to the agricultural attachés around the world; funneling better information to the trade paper, and generally effecting a very aggressive program which I hope will result in increased utilization.

Mr. HARVEY. Thank you. I trust that that will be done. I happen to know of my own personal observation that our market, our foreign market, has been hampered to a certain extent because the trades, the various trade operators, who are handlers of these products and ship them abroad have not always put our best foot forward.

Secretary FREEMAN. Correct.

Mr. HARVEY. That has resulted, in many instances, in a bad reputation for our product, and certainly has not helped our export outlet very much.

Secretary FREEMAN. There are new problems, as you would know, too, in mass handling that sometimes result in damage, all of which I think will have to be taken into consideration as we try to have high-quality products for foreign markets.

Mr. HARVEY. Well, I think the Secretary's office is in a position to, not entirely in the area of being a policeman, but certainly in the area of giving a good deal of encouragement and support to the idea of exporting a better product than we have in some instances in the past.

I would like to ask you one final question, Mr. Secretary. That is whether you have any estimate as to the probable participation of the cash grain producer as compared with the grain and livestock grower. The reason I ask that question particularly, historically, we have found that in most of these programs the participation has come largely from the cash grain producer, and to a very much lesser extent from the livestock grower, and yet the livestock grower produces actually about 80 percent of the grain.

What I am getting at is actually saying to you that as much as I know you want participation, I wonder if you are really hopeful that the grain and livestock producer will actually participate?

Secretary FREEMAN. If he does not, we will not have very much success in the program, because he handles most of the grain.

Mr. HARVEY. You have made no actual projection in your thinking?

Secretary FREEMAN. We figure he will participate equally with the commercial person. There will be no difference.

Mr. HARVEY. You think that the program will be attractive enough that your livestock producer will participate in the program?

Secretary FREEMAN. Yes, sir. That is what we hope and believe.

Mr. HARVEY. I think it is certainly going to be a must if the program is to succeed.

Secretary FREEMAN. You are absolutely right.

Mr. POAGE. Mr. Harvey, I had not realized that you had been placed back on the subcommittee. We are delighted to have you back here.

I want to say for the record that I do not know of any man who is more knowledgeable about feed grains than Mr. Harvey, and we are glad to have him back on this committee.

Now, I am going to ask those of you who are not members of the subcommittee but who want to ask questions to so indicate. I shall give you each a chance to ask questions as fast as I can, but I am not going to go around and ask everybody to ask questions just to take up time.

Is there any question on this side?

Mr. HOEVEN. Mr. Chairman?

Mr. POAGE. Mr. Hoeven.

Mr. HOEVEN. Mr. Secretary, I would like to clarify your proposed amendment to section 3 of the bill. Do I understand it to mean that whenever a support price is fixed by the act of 1949, you will not release Commodity Credit corn at less than the support level?

Secretary FREEMAN. Correct.

Mr. HOEVEN. In other words, the phraseology before the proviso in the amendment is just window dressing?

Secretary FREEMAN. It just restates the whole of section 3.

Mr. HOEVEN. Well, what is the necessity of keeping the first sentence in section 3?

Secretary FREEMAN. That really removes the prohibition of sales which previously existed, which was at 105 percent plus cost.

Mr. HOEVEN. The amendment states that, notwithstanding any other provision of law, the Commodity Credit Corporation is authorized to sell any feed grain at market prices during the marketing year of the 1961 crop of such feed grains, provided that the sales of any feed grains shall not be made at a price below the support price which would be in effect, and so forth.

Again, I ask the question, Do you propose to release any of this Commodity Credit Corporation corn below the support level at the time?

Secretary FREEMAN. We could not. That is why, if I understand your question, Congressman Hoeven, the purpose is to put a floor beneath which I could not release it. To wit, this year at \$1.05.

Mr. HOEVEN. I am sure you appreciate the danger involved in releasing CCC grain at the market price, do you not?

What is the corn farmer going to do with a guaranteed price of \$1.20 a bushel?

I am satisfied the farmer is going to put all of his corn in Commodity Credit at \$1.20, and then go out and buy cheap corn and feed it to his livestock. This is bound to result in lower livestock prices.

Secretary FREEMAN. I think not on the last, Congressman. It would not be my judgment. But this all depends upon what, hypothetically, you start with. If we had 100 percent compliance with this program, or let us say, the 70 percent that we project, why, it is going to clear the market at \$1.20. We would try to so manage this that those who do not comply would not get \$1.20, but would get less.

If we had very low compliance, say less than 30 percent, why, we would not be faced with the problem of the complete turnover that you have in mind.

I am not prepared, very honestly, to say exactly how this authority would be exercised. It would depend on the circumstances.

Mr. HOEVEN. Would you have any objection to eliminating that part of the section 3 which relates to releasing the grain at market prices?

Secretary FREEMAN. You mean the part that follows after "*Provided*"?

Mr. HOEVEN. No, before "*Provided*."

Secretary FREEMAN. I shall refer to my legal counsel here, but I think if you did not have that in, why, I would not have the power to release any. Therefore, there would be no power to release any.

Mr. HOEVEN. What I am afraid of is that you may release some of the corn below the support level. Doing so would create a serious problem.

Secretary FREEMAN. I hope it will not. We shall try to manage so that it does not.

Mr. HOEVEN. One other question on the other proposed amendment. In the revised section of the first paragraph 2, section 2, you would strike the last clause in present section 2. Would not this still permit what we call back-door spending?

Secretary FREEMAN. No, sir; this would apply only—

Mr. HOEVEN. How does your amendment differ from the provision in the original bill?

Secretary FREEMAN. Because this would make it possible for us to use payments in kind if there should be a compliance greater than we have estimated. We might; therefore, it would give us a bit more flexibility, but no more cash.

Mr. HOEVEN. You would still permit back-door spending to the tune of \$500 million; would you not?

Secretary FREEMAN. No, sir. The \$500 million would go before the Congress as an appropriation to the agricultural conservation program. This would be a conservation program and administered as such.

Mr. HOEVEN. I have been rather puzzled about the provision.

Secretary FREEMAN. Maybe the language could be improved on, Congressman, but what is meant there is there is a limit of cash payment of \$500 million, period. This would be appropriated to ACP for conservation, period. There then would be discretion in the event that our estimates proved too conservative, and there was a greater compliance, and we might have to make some payments. If we had to make more than \$500 million, we would make them in kind. We would have accomplished our initial purpose of clearing a given amount.

Mr. HOEVEN. This would be channeled through the Appropriations Committee in the regular order.

Secretary FREEMAN. In this instance, the payment in kind would not. The payment in kind would be authorized here for the Secretary to make after the \$500 million that was directly appropriated. I think that is within the scope and purpose of the Commodity Credit Corporation charter.

Mr. POAGE. Are there any further questions?

Mr. McINTIRE. Yes, Mr. Chairman.

Mr. POAGE. Mr. McINTIRE.

Mr. McINTIRE. Mr. Secretary, could I carry that point one step further? You say this \$500 million would be appropriated as an ACP?

Secretary FREEMAN. Yes, sir; as a part of the ACP.

Mr. McINTIRE. Would the full appropriation in the ACP program be committed to the feed grain program?

Secretary FREEMAN. This would be a special appropriation for this purpose. The question of the agricultural conservation program itself and its normal, ongoing program is separate and apart from this, although administratively, we have been reviewing some of its facets where there might be a coordination. But this would be in addition.

The Congress last year appropriated \$250 million for ACP, and if this program went through, this year, they would appropriate \$750 million.

Mr. McINTIRE. Then it is not ACP, it is an appropriation for the diversion of acreage in the feed grain program?

Secretary FREEMAN. It is ACP in the sense that it would be administered by the ASC State and county committees in the same manner as ACP.

Mr. McINTIRE. But you mentioned earlier that there would be no practices payments on these acres that are taken out by this legislation.

Secretary FREEMAN. That is correct, but the standard that would be passed upon according to ACP experience of what constitutes adequate cover crop and care for the land would be applied.

Mr. McINTIRE. But no payments for practices?

Secretary FREEMAN. No, sir.

Mr. McINTIRE. Now, I am a little concerned about your statements relative to this matter of where the market price is going to be. If I recall correctly, you stated that that volume of grain necessary to be moved to offset your cash payments under the second 20 percent participation would be made at market price. Am I correct on that?

Secretary FREEMAN. Yes.

Mr. McINTIRE. Where is your authority to move presently encumbered grain at market price?

Secretary FREEMAN. It is in the bill.

Mr. LATTI. Line 17, page 3.

Mr. McINTIRE. But other grains—line 17, page 3?

Mr. LATTI. Yes.

Mr. McINTIRE. Then you would have two rules to follow, would you not, Mr. Secretary? That grain moving out of CCC stocks could not move at market price except that portion which was established to be compensatory to the cash payments program?

Secretary FREEMAN. Correct.

Mr. McINTIRE. Well, now, what—

Secretary FREEMAN. For this purpose.

Mr. McINTIRE. What does this do to your market price structure?

Secretary FREEMAN. It would not do anything to it, because you are going to be putting in and taking out at the same time.

Mr. McINTIRE. Well, you are putting into CCC—I shall reverse this to keep it on a market price concept. You are putting into CCC at \$1.20?

Secretary FREEMAN. Yes.

Mr. McINTIRE. Now you say you take this amount out at market price. What is going to be the effect of uncertainty in the marketplace as to what is a market price if there lies constantly an unknown quantity which can be moved out at market price? How is a market going to respond or how would one know when you are going to move a supply and how much of a quantity you are going to move? Are you not defeating the very proposal that you are putting in here, which would presume to tell the marketplace that you do not propose to move it out at market price? How do you have both sides of this and have a market?

Then I am referring particularly to the very important function of commodity trading in feed grains and the very vital part it plays in enabling the feed manufacturer to set prices 30 days in advance, a normal price-setting procedure for feed manufacturers. How is anybody going to go onto the market purchasing corn futures, a function which is not speculation but a hedge against prices which he has indicated on the price sheet he is offering to the consumer? How is the manufacturer going to make price appraisals and estimates when you are providing a vehicle here which is going to move corn into the market at your discretion, both as to time and price?

Secretary FREEMAN. Well, this is a power to handle this which will have to be administered with care and discretion, and in cooperation with the normal market facilities in connection with it. I would only say that the response to this in payments in kind will not be as great as payment in cash. The amount involved will probably be relatively minor.

No. 2, if this factor of the mechanics of working this out creates the degree of uncertainty to which you refer, we would review administratively actually depositing this corn.

But if you deposit the corn, it is going to go back on the market anyway, and what you are really saying is do not ever have a program for payments-in-kind, because you are going to disturb the market.

Mr. McINTIRE. No; I am not. I am merely trying to resolve in my own mind whether there is to be left any function of a free market. That is what I am getting at.

Now, I do not care whether you are offering 100,000 bushels or a million bushels, the volume, no matter what its nature, will have an effect on the market price. Your viewpoint is, it seems to me, within the framework of that of those who argue that a little bit of imports do not materially affect the marketplace because only a small part of the market is affected. Well, any supply affects the market, whether it is in volume or whether it is in limited quantity. You can absorb it quicker if it is smaller, but when it is offered, it is going to affect the price structure, either in a limited or great degree.

Secretary FREEMAN. Well, this may very well happen, and this is something, as I have said three or four times, that I do not think you can give a categorical answer to. I am conscious of this problem.

Mr. MCINTIRE. Well, those of us who are in a deficit grain area, when we sit here and pass on this bill, we have to, in our own minds, seek an answer to this, because we are concerned about what the situation in the marketplace is going to be. This is what we are paying money for every second of the day, the dynamics operating in the marketplace.

Secretary FREEMAN. Dr. Cochrane indicates that he has a comment to make on this, and I can assure you, he is much more of an expert than I am.

Mr. COCHRANE. I think there are two different aspects here. One is the payment-in-kind provision on page 3, beginning about line 10, and then there is the provision here on page 4, section 3.

Now, I do not see how the provisions on page 3 with regard to payment in kind create uncertainty. Whether the producer actually comes to a storage place and hauls the grain away and takes it to his own particular bin and then sells it, or whether he takes a certificate and then, to redeem this certificate, we sell that amount of grain to get the cash to pay for it is within a cent or two identical.

Over on the last page, there is some degree of uncertainty although the Secretary's suggested revision here of this section 3 takes some of that uncertainty out, in that it limits the amount below which the market price could not go, namely, \$1.05. It limits the range at which the Government could sell stocks and reduce the price; thus some uncertainty has been removed. If the goal is to remove uncertainty, that goal has, to some degree, been reached.

However, it was our hope in putting in this provision that some of the uncertainty here would be what would bring people into compliance. To the extent that we get 70 percent compliance, then we shall get a reduction in total quantity which will move corn to the market at or about \$1.20. But I do not see that uncertainty is introduced with regard to section 2 on page 3 by this particular mechanic. It just eases the situation of the farmer and the Government, in that the farmer can take the certificate as opposed to doing the physical work of going and getting the grain and hauling it to his own bin. And we release the equal amount of cash and maybe at some distant place, this same amount of grain, get the cash, and pay him.

Now, it is true, there might be 1 or 2 cents spread here and there which could be, possibly, a gain or a loss. But I do not think any uncertainty is introduced by this provision for the mechanics of dealing with payments in kind on page 3, section 2.

Mr. MCINTIRE. Well, the amount of influence that this particular vehicle has in the marketplace is going to depend to a large extent on the volume of participation that you get, either in payment in kind or in redeeming the cash certificate.

Now, we have never tested in the marketplace the payment-in-kind principle.

Mr. COCHRANE. No, sir.

Mr. MCINTIRE. There has been some of this function in the acreage retirement program, but it has been so very nominal that there is no history of how much you affect the marketplace with this type of vehicle.

Secretary FREEMAN. I think this is correct, and this might, I might say respectfully, come down to the question of the use of payments in kind. There is going to be uncertainty to the extent that you put that much back into the market through the medium of payment in kind.

If you give the farmer the corn and he sells it, or you give the farmer the cash and the Commodity Credit Corporation releases the corn, then the net result on the market will be exactly the same; and I think fundamentally, Congressman, you are asking the question whether payment in kind is going to create uncertainty in the marketplace and disturb the grain trade and the futures market. We do not think so, but in relation to the whole concept, why—

Mr. McINTIRE. But the more participation you get, the more unsettling it is going to be?

Secretary FREEMAN. I expect the more payment in kind you get, the more unsettled the market could get.

Mr. McINTIRE. And to this extent, the greater participation you get under this legislation in the second phase of your retirement program, then the more constant influence the stock market is going to have, and the less constructive influence the futures market can have.

Secretary FREEMAN. Is that correct, Mr. Cochrane?

Mr. COCHRANE. If we know what the payment time in the participation in the payments-in-kind program is going to be, the market can do just what the economists can do, that is figure out how many acres are going to be removed as a basis of payment in kind and how much stocks are going to be placed on the market in payment, and I believe the market can do a very accurate job of judging what the counterbalancing effects are of the acres removed from the payment-in-kind, plus the return to the market of the two-thirds of the yield in payment-in-kind.

The uncertainty is now related to the fact we have no idea how many farmers will avail themselves of this feature. But once the sign-up has been made, I think that thereafter, the market can do a very good job of estimating the amount that would be taken out in terms of the acres removed and the amount which will be moved in as payment-in-kind.

Mr. McINTIRE. Let me ask one further question, and Mr. Secretary, I shall ask it of Dr. Cochrane. I am not an economist.

Secretary FREEMAN. Thank you; neither am I.

Mr. COCHRANE. Sometimes I wish I were not.

Mr. McINTIRE. I might make the observation that sometimes the economists and the marketplace do not necessarily agree.

But I would gather that the primary objective of this deal is to raise the price of the feed grains to the feed grains producer.

Secretary FREEMAN. Plus—income to the feed grain producers, plus make it unnecessary for the Government to take on 500 or 600 or 700 million more bushels at a cost of \$1.5 billion.

Mr. McINTIRE. Then the primary objective of this legislation, if it goes the way you hope it will go, is to raise the price of feed grains.

Mr. COCHRANE. To around \$1.20 for corn.

Mr. McINTIRE. Now, as a user of feed grains, how do we answer on the cost of grain?

Mr. COCHRANE. I would like to answer that.

Mr. McINTIRE. I would like to have an answer.

Mr. COCHRANE. The individual producer always visualizes it as if the price of the thing he is going to produce remains the same and his input prices or his feed grain prices increase. As an individual, this is the only way he can look at it.

But there is an aggregate effect just because each individual looks at it this way; some of them decide to reduce their particular production of poultry or hogs or whatever it is. The effect of the increased feed grain price, the individual producer reasons, is to cut his net return. The aggregate effect is that some are going to produce less of their own product, poultry or hogs.

Mr. McINTIRE. By virtue of the price of grain going up—

Mr. COCHRANE. Then the price of their product goes up. This is what we mean that when the price of corn goes up, you get less total hogs produced and the price of hogs goes up.

Mr. McINTIRE. Let us put it this way, Dr. Cochrane. As far as the feed grain producer is concerned, he is to get some vehicle by which, through acreage retirement and payment for it, he can make an economic adjustment through a higher level of prices for feed grain. But the user of this feed grain, recognizing that the price is going up—

Mr. COCHRANE. Of his product.

Mr. McINTIRE. Of the feed grain.

Mr. COCHRANE. Yes.

Mr. McINTIRE. Then the producer using this feed grain which is costing him more is going to make the adjustment by cutting back on the production of his product.

Mr. COCHRANE. I still have a good answer for you, sir. All of them make this adjustment, and that is where we come to the effect of the inelasticity of demand of the pork and poultry products. When somewhat less of these products are put on the market, the price rise is proportionately greater than the cut in the supply of these products, and the gross return to hog producers or poultry producers is increased.

Mr. McINTIRE. But let me ask you on that point. What are the forces at play which are going to result in less production on poultry and meat?

Mr. COCHRANE. Well, to—

Mr. McINTIRE. There is a price in the marketplace and a cost.

Mr. COCHRANE. I shall just repeat this without saying whether it is good or bad. The effect of the raised increased feed prices is to cause some hog producers, which is where the real corn price effect is going to be, to produce somewhat less. And the reduced hog production that comes on the market will be less than the price rise, proportionately so that the gross return to all hog producers will be increased.

Mr. McINTIRE. Mr. Chairman, I do not want to take more time; I have taken too much already.

Mr. POAGE. Very well.

Mr. Beermann?

Mr. BEERMANN. Mr. Secretary, I appreciate your position. I am an operating farmer, with five brothers. You have an operation with someone else.

I would like to ask a question: Are we to understand that the Secretary is establishing the price of soybeans at \$2.30.

Secretary FREEMAN. It has not been established as of now. This is at present my intention, to so establish it.

Mr. BEERMANN. Thank you.

Now, corn is \$1.06 and it is in trouble. Soybeans are \$1.85 and they are not in trouble. I fail to understand how raising the price of soybeans to \$2.30 and eventually asking me to grow soybeans, which I do not now, and then eventually asking the Government to buy my soybeans, is going to be a solution of our problem.

Secretary FREEMAN. I would only answer that by saying that although the support price is as you represented it, the market price is now about \$2.47, and, as I have tried to indicate before, the best estimates we make are that there will be a stronger demand for soybeans and a greater need for them than there will be for feed grains.

Mr. BEERMANN. Thank you.

The soybean market price is presently strong because of industry promotion and grower ability to produce for a consuming market at a fair price, with a minimum of Government intervention. This is not so with the other feed grains. I do not think that two wrongs make a right. I would not like to see us get soybeans in the same position as feed grains.

I will say here that I do not know how to run your farm; I do not suppose that you know how to run mine, and I do not believe it is within the jurisdiction of this group of people to tell us how to run our farms, which is what is taking place by establishing market prices. I would like to offer for your consideration in all future legislation that when you submit these things, I am asking it simply from a farmer's standpoint, that you do it on the basis of having less Government in farm business instead of more.

I thank you.

Secretary FREEMAN. Thank you.

Mr. POAGE. Thank you.

Anybody else?

Mr. LANGEN?

Mr. LANGEN. Thank you, Mr. Chairman.

Mr. Secretary, I should be remiss were I not at the outset to express my compliments to you in that so many of the principles contained in your proposal I have had occasion to propose to Congress more than a year ago. However, the comments I want to refer to at the moment probably lead into a field a little different than has been covered up to this point.

As you know, Mr. Secretary, I live up in the Red River Valley in the very northern end of it, the very productive area, but an area that does not lend itself to the production of corn or grain sorghums, or soybeans.

Consequently, the legislation as proposed in a big volume of farms there is going to deal with the three crops of oats, rye, and barley. I realize that the figures on the chart here and so on would possibly be somewhat comparable were it applied to those same crops.

I think, however, first of all, that there is one substitution that comes into the scene, and that is the production of flax, because flax ordinarily, in that area, would replace the soybeans that you are talking about here.

Now, have you given any thought to the part that flax might play in a conversion of these crops and whether or not there is a relationship between flax and soybeans, both pricewise and quantitywise?

Secretary FREEMAN. Yes, we have given some consideration to that.

Mr. LANGEN. And in your estimation, would there seem to be—would it seem to be a desirable thought that we might increase the support price of flax along with soybeans, or not?

Secretary FREEMAN. Very frankly, this matter is being reviewed at this time and I am asking for a report on it, so I am not sufficiently informed to answer the question. But we shall pursue it even more diligently and will answer you directly in connection with your question.

(The following statement was submitted to be inserted in the record at this point:)

Linseed oil and soybean oil are somewhat competitive for industrial uses. Linseed meal and soybean meal are similarly competitive for certain kinds of livestock feed. Soybean oil is largely used for food purposes, whereas no linseed oil is used for food products in the United States.

Mr. LANGEN. Well, I raised the question because there is a big productive area up in our country—I think it goes into North Dakota too—in which that would be a really pertinent question.

Secretary FREEMAN. I think this goes, Mr. Langen, into the permanent program, because there seems to be a consensus here that this should not apply to barley and oats at this time. Since corn is not grown in the Red River Valley to any extent, it would not particularly apply in this emergency program. But in an effort to bring about a diversion of feed grains into other things that might be at a greater level of need, we shall certainly give this question every consideration.

Mr. LANGEN. I am appreciative of that. I am, by the same token, very much concerned that were these three crops to be left out, that we have a volume of farmers who are dependent upon the production of those crops for their livelihood, too, and consequently, I am thinking about their future. Were they to be left out of this bill, then I suppose I am to assume that as far as those three crops are concerned, and as far as those farmers are concerned, they are left out of any consideration at this point.

Secretary FREEMAN. No, No. 1, in the bill as I have recommended it, they were included. I have left it up to this committee to determine whether they should or should not be.

No. 2, so far as the total market for feed grains is concerned, they would be affected by the strengthening of the price of the total market.

So I think they would benefit from the program even though they were not in it. As far as we are concerned, the practical differences that have been pointed out that some parts of the country are already planted—the administrative difficulty we are prepared to try to handle. We shall leave that to the judgment of this committee.

Mr. LANGEN. One more point along the same line, and I think that this is pertinent to this type of legislation, remembering that I have recommended very much the same.

In the crops of oats, barley, and rye, of which I have designated that we have a number of farms where that is their major feed grain crop, it is well to note, and I have documented this and supplied the Secre-

tary's Office with a copy, the American farmer has not produced one single bushel of surplus in any of those three crops, and the imports have far exceeded the amounts to which the surpluses have grown in those crops during the past 12 years. As I say, it has been documented; we have forwarded to you a copy.

Now, then, if we do not pay any regard to the part that may be played by imports in those three particular crops, and the fear that these farm folks up in my area would have, would be that if, as you say, the effect of this would have the tendency to raise the price and there would still be somewhat of a comparable result, what assurance do these farm folks have that imports are not going to increase by virtue of the increased price, and consequently, they are going to wind up with a smaller amount of their own market within the United States than what they already have?

Secretary FREEMAN. I would only answer that by saying we are conscious of this problem and appreciate your informing us in connection with it.

Secondly, this is a 1-year program that would go into effect immediately, and I think that the response of imports to it would not be that instantaneous in any event.

Mr. LANGEN. Well, I should have to at least make this observation and not pass it off quite as lightly as that. Inasmuch as it has been recommended here, may I point out to the Secretary that in rye, for instance, which is not a big crop—at the same time, it is important to a lot of people—that imports have exceeded the growth in surplus by 10 times. We have imported 10 times as much as the growth of surplus in that particular crop during the past 12 years. So it is not an inconsequential thing.

Secretary FREEMAN. I realize that.

Mr. LANGEN. Remember that we have then piled up those bushels, and we are taking the taxpayers' dollar with which to pay storage on them, and the farmer in turn is being deprived of a market that might otherwise have existed for his crop. So I should not pass it off quite that lightly.

By the same token, I am hesitant in saying to the farmer in my area, "Now, you had better reduce the production of these particular crops, because we have got too much of them," when actually, he has not been responsible for the production of the surplus. I think we are making quite a request of him in the light of that, without at the same time giving him some assurance that we are thoughtful and cognizant of the part that has been played by imports in the whole thing.

To that degree, I think it ought to be recognized, I think it is significant, not only to the producers of those crops, but to the taxpayer and the consumer likewise, because it is important to all of us.

Secretary FREEMAN. I shall only say, Congressman Langen, I do not pass it off lightly. I recognize this as a very real problem.

Mr. POAGE. I wonder if we could not ask you, Mr. Langen, if you would appear before the Ways and Means Committee and discuss it with them. They have jurisdiction over it; we do not have. We have no jurisdiction over importation. That committee does. It is a matter of jurisdiction. It is something we have no power over.

We recognize the problem just as you do. I hope you will go before that committee which has jurisdiction.

Mr. LANGEN. Mr. Chairman, if I may say so, I should be happy and pleased to appear before any committee which will consider the matter.

Mr. POAGE. All this committee can do is consider it; it cannot act.

Mr. LANGEN. I bring it up here because of its relationship to the agricultural problem. It would certainly seem to me that the Agriculture Committee, as such, would have a concern in the matter.

Mr. POAGE. We are concerned and we are glad to have your statement.

Mr. LANGEN. It seemed to me the Agriculture Committee might want to make a recommendation in that behalf.

Mr. POAGE. This committee does not make recommendations to other committees. This committee has enough problems of its own, and we shall not make recommendations to other committees.

As Members of Congress, each of us has a right to go before the Ways and Means Committee and discuss the matter. They have jurisdiction; this committee does not. We do not claim it, we could not exercise such jurisdiction if we wanted to. We recognize these imports are a problem, and we have no prejudice against bringing it into this discussion. I am just hoping you will go before the proper committee and present your views, because it is important and at the same time it is not something concerning which this committee can give any relief.

Mr. LANGEN. Mr. Chairman, I do not want to prolong this discussion and I do not think I should. I do not have the information before me. But if my memory serves me correctly, I believe the present law states, "For authorizing authority in this field by the recommendation of the Secretary of Agriculture." I think the law so reads.

Mr. POAGE. But this committee has no jurisdiction over that.

Mr. HEIMBURGER. That would be the Tariff Committee.

Mr. POAGE. Yes, that involves the tariff laws and not the agricultural laws, unfortunately.

I did not mean to cut you off, Mr. Langen.

Mr. LANGEN. I yield to Mr. Nelsen.

Mr. NELSEN. Mr. Secretary, I think it is obvious that you have been "burning the midnight oil" to prepare for this meeting. You have presented your case very well, and I want to make the comment that as nearly as I can tell from the proposals that have been submitted, there is certainly a meeting of minds, and we are much nearer an agreement than I have ever seen in the things that have been prepared for Congress.

I would like to comment on one of the questions that Congressman Quie made on the payment in kind, and the second 20 percent.

It has been our contention, those of us who live in the livestock farmer area, that the payment in kind is an incentive to encourage the farmer to stay on the farm, because the farmer that must sell his livestock to reduce acreage is reluctant to do so. If he can replace the feed that he would have raised out of surplus, he would be encouraged to keep his unit and his gross dollar income would remain the same.

So I want to point out that we have, we think, about 156 million acres that are producing crops that remain on the farm; as nearly as I can tell, about 189 million acres that produce cash crops.

So I want to add my little bit to the hearing today and to thank you for appearing before our committee.

Secretary FREEMAN. Thank you, sir.

(The following letter was also submitted by Mr. Nelsen to the subcommittee:)

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 24, 1961.

Hon. W. R. POAGE,
House of Representatives, Washington, D.C.

DEAR MR. POAGE: The farm problem has been a topic for discussion for many years. The battleground shifts from one area to another and for many years the great issue was, What should the support level be? Should it be fixed or flexible? We have discussed wheat programs, corn programs, cotton programs. You name it. We've had them all.

Finally there seems to be an agreement and a realization that dealing in commodities will never solve the total problem. We have attempted to solve a problem in cotton only to find one develop in corn. We then direct our attention to corn and perhaps it breaks out with too many soybeans and so on.

It is crystal clear that in order to restore prices we must reduce surpluses. In order that surpluses be reduced, we must reduce the tillable acres, adjusting them to total demand. A fair price should then be the result.

The farm program that has been proposed by the Kennedy administration places emphasis on a reduction of tillable acres, which is a proper and necessary step. The Secretary of Agriculture, Mr. Freeman, in his presentation endorsed the emphasis on reduced acres and on several occasions he said that he would be guided by suggestions from the Congress and that he would welcome constructive criticism if it would assist in the overall picture. Therefore, I would like to make a few suggestions from the point of view of a practical farmer of a diversified Minnesota farm.

The big question is, How do we get participation in land retirement? A year ago, I made a careful check as to what proportion of the farms in America participated in commodity loans or cash crop sales. Our best research indicated that we have about 338 million acres of crop-producing land. Of this amount, 156 million acres produced crops that stay on the farm, leaving 182 million acres in the cash-crop class.

This breakdown produces this picture: 182 million acres operated by producers who would look at the attraction of high supports. These producers would be encouraged to participate because of the support levels. The other group of producers, operating 156 million acres, are not as concerned with support levels because they do not sell feed grains into the market. They feed all of the grain they produce to livestock on their farm.

The total success of any land-retirement program cannot be achieved with just the 182-million-acre group participating. The 156-million-acre group must be encouraged to cooperate if adequate acres are to be taken out of production. The 156-million-acre group will not find cash an incentive because they need all the feed their farm will produce. They would, however, be encouraged by getting feed stock out of Commodity Credit surplus because in this way their normal livestock program can continue and their same crop returns can be realized. Therefore, I would like to suggest that payment in kind on a liberal basis, such as I proposed in H.R. 1063, be made optional up to a certain amount on not only the second 20 percent, but also the first 20 percent of acreage taken out of production. Provisions must be included in regulations that would protect the Government against a merry-go-round of resale into the market for those who participate in the payment in kind.

While the Kennedy proposal which permits Commodity Credit to sell in the open market at less than support level (in this case, \$1.20 per bushel, or 74 percent of parity) is, of course, intended to force participation in the program, the result would most certainly be the sale of all grain to the Government. When it is released on the market by Commodity Credit, it would destroy a competitive market with disastrous results.

I therefore suggest retention of present provisions forbidding resale until 105 percent of the support price has been reached, so as to prevent any tendency to unload on the Government and buy at a lower price in the marketplace. I am sure no one wants to destroy the competitive market and our free enterprise system.

I believe that a good sales job on the part of the President and the Secretary of Agriculture, calling attention to the liberal payments in retired acres, making more liberal the payment-in-kind provisions, would create the participation that we need and a great deal of help will come from the livestock farm in the 156-million-acre group. This group has not participated to a great extent in various proposals that have been in effect. An attractive program that would encourage their participation could well be the necessary boost that would result in the land retirement that would make the program a success.

Sincerely yours,

ANCHER NELSEN,
Member of Congress.

Mr. HAGEN. Mr. Chairman, I would like to ask one question.

Mr. POAGE. Mr. Hagen.

Mr. HAGEN. What is the rate of payment on this payment-in-kind certificate if the man takes cash? You pay him at the then market price of this commodity, or what is the rate of payment?

Secretary FREEMAN. It would be two-thirds of the support price.

Mr. HAGEN. No; he would get a quantity of grain.

Secretary FREEMAN. Yes; based upon two-thirds of the support price.

Mr. HAGEN. If he takes cash, you have to set a value on his bushel. What would be the rate?

Secretary FREEMAN. The same thing, two-thirds of the support price. You would pay him in corn or pay him in cash; it would be the same thing.

Mr. HAGEN. This is in relation to the support price, not market price?

Secretary FREEMAN. Right.

Mr. HAGEN. In relation to what Mr. McIntire was talking about, if he took his bushel, that would be 1 bushel, but it is conceivable that Uncle Sam might have to go on the market and sell 3 or 4 bushels to get the same amount of money back.

Secretary FREEMAN. Well, this is the element of uncertainty that exists in the question of payment-in-kind which has not been tried, and about which there seems to be some differences of opinion.

I will say honestly, I tried to think—I will say to you frankly—I tried to think of every question you might ask me, but Mr. McIntire gave me a lot of trouble up there. I did not get into that one. I have heard payment-in-kind discussed, but never in terms of the fact that it would disrupt the marketplace and the grain trade, and I did not know about that one and I want to think about it.

Mr. POAGE. Are there any further questions?

If not, we are deeply appreciative to you, Mr. Secretary, and your associates for coming down here and giving us a statement. I believe it is going to give us a basis for a whole lot of information on which to proceed. While we are going to have 1 more day of hearings, we need some time to discuss the problem within the committee itself.

I want to announce now that tomorrow we shall hear the National Farmers Union, the Grange, the American Farm Bureau Federation, the Missouri Farmers Organization, and Mr. Quie's constituents.

I think we have to limit these hearings. Is there anybody now who wants to be heard tomorrow?

Mr. COAD. I would like to reserve——

Mr. POAGE. You cannot reserve time unless you have somebody you want to reserve it for.

Mr. COAD. I wish to reserve it for the National Farmers Organization.

Mr. POAGE. That means we are going to have to run both tomorrow morning and tomorrow afternoon. I do not see any other way of doing it.

We shall hear in this order in the morning, first, Mr. Roy Battles, from the National Grange; Mr. Reuben Johnson, of the National Farmers Union; Mr. Charles Shuman, of the American Farm Bureau Federation; and Mr. Fred Heinkel, of the Missouri Farmers Organization.

One more thing before we adjourn. There have been some press representatives here who have wanted to take some pictures of the Secretary for some time. I trust he and his staff will not have any objection to it. The rules of the committee do not allow the taking of pictures during a hearing.

The subcommittee will stand in recess until 10 o'clock tomorrow morning.

(Whereupon, at 12:35 p.m., the subcommittee took a recess, to reconvene Wednesday, February 22, 1961, at 10 a.m.)

EMERGENCY FEED GRAIN PROGRAM

WEDNESDAY, FEBRUARY 22, 1961

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON LIVESTOCK AND FEED GRAINS
OF THE COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met at 10:10 a.m., pursuant to recess, in room 1310, New House Office Building, the Honorable W. R. Poage (chairman of the subcommittee) presiding.

Present: Representatives Cooley, Poage, Jennings, Matthews, Coad, Hoeven, Dague, Quie, Short, Mrs. May and Latta.

Also present: Representatives Cannon, Albert, Harding, Hagen, Johnson of Wisconsin, Stubblefield, McIntire, Harvey, Findley, Teague, Dole, Beermann, Reifel, and Smith of Iowa.

Christine S. Gallagher, clerk; Hyde H. Murray, assistant clerk; John Heimbürger, counsel; and Francis M. LeMay, staff member.

Mr. POAGE. The subcommittee will please come to order.

This is a continuation of the hearings of yesterday on H.R. 4510. The order of yesterday was that Mr. Battles was to be our next witness.

You are prepared?

Mr. BATTLES. I am.

Mr. POAGE. We will be glad to hear you.

STATEMENT OF ROY BATTLES, ASSISTANT TO THE MASTER, THE NATIONAL GRANGE, ACCOMPANIED BY FRED BAILEY

Mr. BATTLES. I wonder if I may bring Mr. Fred Bailey of our staff to help me out?

Mr. POAGE. You may.

Mr. BATTLES. Mr. Chairman, and gentlemen of the committee, the Grange is grateful for this opportunity to counsel with you this morning and to bring to you our viewpoints on the President's proposed feed grains program.

Mr. Herschel Newsom, master of the National Grange, wanted much to be with you this morning. He had a prior commitment, however, in the Pacific Northwest, up in Mrs. May's country, and was unable to break his commitment, and so he has asked me to come and bring our thinking to the committee.

There is one point, Mr. Chairman, upon which I am sure there can be complete agreement. It is this: If there is to be any action taken to affect this year's corn and feed grain crops, it must be taken promptly, as planting time is almost upon us. Farmers need to know quickly whether there are to be any changes in this year's program, and what those changes will be.

Even if legislation were enacted today, U.S. Department of Agriculture officials would be faced with a very difficult task at best to develop the administrative details of the program and to get the information to the farmers before planting time. We wish to emphasize, therefore, the urgency and the need for the Congress to do everything possible to expedite action.

The problem of corn and feed grains has, for a number of years, been one of the major problems of agriculture. It has grown more acute each year. I know that it is not necessary to review at any length for this committee the facts concerning the production and supply of corn and other feed grains. I think that the realization is widespread that we are confronted with a very serious problem which will require emergency treatment if action is to be taken in time to affect this year's crop.

Total supplies of feed grains, as was reviewed yesterday have set a new record high for the 7th straight year. Even though there has been substantial increase in utilization in recent years, utilization has constantly fallen below production, and carryover stocks have more than trebled from 20 million tons in 1952 to 75 million tons this past year.

Total carryover is now almost half our total annual feed grain requirements for domestic use and for exports—and a substantial part of our exports represent, as you know, disposals under Public Law 480 and sales with assistance through subsidies. It has been estimated by the Department of Agriculture that there will be a further addition to carryover stocks of 5 to 10 percent over the 75 million tons carried over this year if the present program is continued.

Concurrently with the constant buildup in production and stocks in recent years, there has been a constant lowering of the price support level. The price support level has been lowered from \$1.62 per bushel for cooperators in 1954 to \$1.06 to all producers in 1960. This progressive lowering of the support level has not served to reduce acreage or to stop the buildup in stocks.

We find ourselves in substantial agreement with the following statement contained in the President's letter to the Speaker of the House requesting emergency feed grain legislation:

The existing program has failed. It has resulted in the accumulation of a burdensome and dangerous surplus, mainly of commodities for which there is no adequate outlet even under our expanded programs of providing food for those in need. At the same time, it has failed to protect farm income, and it is threatening to drive down the prices farmers receive for hogs, cattle, poultry and eggs, and milk to disastrous levels. If this program is allowed to continue in effect, this year's crop, the stocks in Government hands, will reach even more alarming proportions, a virtually unmanageable storage problem will be created, farm income will continue to suffer, and large amounts of Government funds will be needlessly expended. Immediate action is required to prevent further deterioration of this situation. In order to be effective with respect to this year's crops, a new program should be authorized by March 1.

We believe that corrective action is long overdue. As much as we might prefer a measure which would be designed to provide a more permanent solution to the feed grain problem, we recognize that in view of the time element involved, whatever action is taken must be of an emergency character and directed to the 1961 crop. Furthermore, whatever action is taken must be kept relatively simple.

if we are to expect farmers to understand it and accept it between now and planting time.

The emergency measure submitted by the President upon recommendation of the Secretary of Agriculture seems to us to be designed to stop the buildup in stocks without further impairing farm income plus the advantages to farmers and the country as a whole of diverting additional areas of cropland to conservation uses.

If successful, it would stop and reverse the present trend of producing more and more for less and less and constantly adding to the surplus. It will reverse the concept that you can restore or achieve a balance by simply driving down the price or income to producers to a point where you will get the necessary adjustments.

Although the Grange recognizes that many of the details of the proposed measure will necessarily have to be provided by administrative action, the measure seems to us to encompass fundamental principles which we believe to be sound and constructive. We believe it may also provide a starting point or a base upon which to build a permanent solution to the feed grain problem.

This measure has the same objective as and encompasses many of the principles of the feed grain program which was developed by the feed grains committee of the National Grange and which we presented to this committee in 1958.

You will recall, Mr. Chairman, that we presented that program to you in testimony at that time. We merely mention this similarity between the program developed by the National Grange committee and the proposed 1961 emergency program as further evidence of our belief in the soundness of the principles embodied in the proposed emergency program.

At that time, in 1958, the supply and carryover had not reached the critical proportions which now exist, but we were producing more than we were using and constantly adding to the stocks. Stocks were then twice as large as we believed were needed to provide an adequate carryover. We recognized the need then, which is even greater today, to bring feed grain production into balance with requirements and at the same time gradually reduce the excessive supplies already on hand without further depressing farm income.

Our problem is the same today as it was then except that it is more acute and more difficult. The basic principles employed in the proposed program are similar to and in harmony with many of the recommendations which the Grange made in 1958, including a 20-percent reduction in feed grain acreage, the transfer of such acreage to a conservation use where it could not be utilized for harvest or pasture, a payment in negotiable certificates half redeemable in stocks and half in cash, and the stabilizing of the level of price supports with no price support being available to any noncooperating producer.

We mention this similarity between the program developed by the Grange Feed Grains Committee and the proposed 1961 emergency program as further evidence of our belief in the soundness of the principles embodied in the proposed emergency program.

We want to commend the Secretary of Agriculture for his efforts to put a feed grain program into operation for the 1961 crop, and the committee for its prompt consideration of this proposal.

In summary, we feel that the feed grains program is our most important problem in agriculture. We have a half-year carryover supply on hand and this is far more, probably twice as much as we need. It is urgent that we handle this problem quickly. It is one of the hardest to handle. There is no question about that.

It is imperative that we solve it. We cannot afford to fail on this one. It is apparent that the so-called squeezeout process of lower and lower prices to attain the balance is not a satisfactory answer to this problem. This program is a crash 1-year program, and rightly so. It is voluntary. It gives us time to work on a more permanent answer.

We hope the incentives are adequate to induce cooperation. They have just got to be adequate to do that. We think maybe they are. The incentives must be such that it will be unprofitable for one not to cooperate on the land.

This program, we feel, will get about the same income per acre—I will change that. This program will bring about the same income to a farmer in the feed grain production as the old program at \$1.06—probably some additional income.

There is the added advantage to the farmer that he will have this land in conservation use, that is, the land that is retired; and this is an asset; also, to the country.

We think that farmers will want to do their part to cut the carryover, which is a national problem as well as a farm problem; and that by cooperating with the program we will insure ourselves against the possibility of further buildups.

This is the first time in our observation, too, that a price support has not been a market level aim; in other words, the price support level this time is not necessarily the market level aim.

The program, we feel, will not interfere materially, if at all, with present livestock patterns, particularly if the unsupported market price does not vary too much from the present price of feed grains.

We think, too, that the program protects consumers. We will still have abundance in all areas of American agriculture.

In short, Mr. Chairman, we again congratulate the Secretary of Agriculture and your committee for its consideration of a measure which will get about the task of solving this very knotty problem.

Mr. POAGE. Thank you very much. Mr. Quie?

Mr. QUIE. Do you agree with the present support level indicated in the bill?

Mr. BATTLES. Yes, we think the \$1.20 is a pretty good figure. We are not just solidly married to it. We are not adamant in our viewpoint that it is the ultimate answer. We think that if it was raised a little over and above the \$1.20 that you would want to lower the payments for the land put in retirement in conservation practices.

Mr. QUIE. Would you favor a lower price and increasing payments for going into conservation practices?

Mr. BATTLES. I don't think so, for the reason that we have got to have incentives to get cooperation.

Mr. QUIE. Do you think the increase in rental payments will be an incentive for cooperation, or do you think that authority for unlimited sale below sales level would be the incentive?

Mr. BATTLES. Both will be incentives, I think. Were you referring to sales below \$1.05 or to sales at or around \$1.05?

Mr. QUIE. Below \$1.20.

Mr. BATTLES. Below \$1.20 both would be incentives. I think this is the psychological thing, Congressman Quie. It has to be determined, in our mind, what the possibilities are going to be next fall at planting time.

Mr. QUIE. What percentage of the farmers feed their own feed grains on farms; do you know?

Mr. BATTLES. You mean all of their feed? Close to 80 percent of the feed grains are fed on the land.

Mr. QUIE. What incentive is it to them that the price support is increased or the market price lowered?

Mr. BATTLES. As an incentive to cooperate, do you mean?

Mr. QUIE. Yes.

Mr. BATTLES. Well, if you take an illustration, Congressman Quie, of a certain given acreage and then figure the income there, say, on a certain number of bushels from that acreage at \$1.06, and then figure it, also, at \$1.20, if they cooperate on the lesser acreage, 20 percent or up to 40 percent less, add to that the payments for retiring the land, and you will come out, allowing some increase in yield for more intensive practices, with a slightly higher income by cooperating with the program than by not cooperating with the program.

Now, if the sale was made at below \$1.06, the difference would be greater.

Mr. QUIE. With the same illustration, the farmer who feeds his own grain on the farm, give him an opportunity to comply with the program where the payment was higher, the conservation payment was higher, but the support level was, you say, at the present level, would there not be a greater inducement for such a farmer to comply.

Mr. BATTLES. Mr. Bailey has an answer to that.

Mr. BAILEY. I do not have the answer, but I think you are correct in saying that inducement can be one of two ways. One is in the higher payment rate and lower support price, or in support differential. If there is a support differential of, say, 15 cents a bushel, which we have here between the market price, assuming the market price at \$1.05 and support at \$1.20, I suspect a great many farmers who feed their grain normally are going to put their corn under the loan at \$1.20 and go in the open market and buy at \$1.05.

Mr. BATTLES. As the chairman mentioned, it was a matter—you know more about this than we—which would be the problem of the reaction of the Congress as a whole relative to these two techniques of obtaining cooperation.

Mr. QUIE. If that were the case, where the farmer who raised corn to feed to his own livestock put it under a loan, and bought in the open market, this would make the program much more expensive at \$1.20 corn than it would be if the payment per acre was higher and the support level were lower, so they would not use that avenue.

Mr. BAILEY. I agree with you. And there is, also, another potential danger in that. If we get a 70-percent compliance which the Secretary mentioned yesterday, that would mean that, approximately, 3 billion bushels of our corn crop would be produced under loan, within the loan guarantee, and if all of that, the major portion of that, if it went into the loan program under seal, we could very well

find ourselves short of a market supply of feed grains before the end of the marketing year.

If we had as much as, say 2 billion to 2.5 billion bushels under loan, under seal, the price would have to go up to pull that out of the loan or we would not get much to feed out.

I don't believe that the CCC and the noncooperators would produce or have enough grain on hand before the end of the feeding year to supply the market without pulling some of that out of the \$1.20 loans.

Mr. BATTLES. The CCC has something like in corn, on the first of October, and the carryover in Government hands, about 1.5 billion bushels, somewhere around there.

Mr. QUIE. One other question: Do you think there is any danger of changing the competitive market where prices are now established to where the Secretary would, in effect, be setting market prices?

We saw what happened in cotton under the A and B programs. Is this desirable?

Mr. BATTLES. Well, this is a 1-year program. It is always desirable to have as much freedom of price, letting price perform its function as much as possible.

Of course, the Secretary right now has more power to set general levels in feed grains than a lot of people realize.

Mr. QUIE. That is all. Thank you.

Mr. POAGE. Mr. Jennings?

Mr. JENNINGS. What are your views pertaining to the amendment that was offered by the Secretary yesterday on the sale of feed grains to obtain the support price?

Mr. BATTLES. That is \$1.05?

Mr. JENNINGS. Is that not a disadvantage rather than an advantage?

Mr. BATTLES. Psychologically it is a disadvantage. It assures \$1.05 for all corn. There is no question about that.

Mr. JENNINGS. Why fix the price at \$1.05?

Mr. BATTLES. Why should we have that?

Mr. JENNINGS. Yes.

Mr. BATTLES. I suppose if I was Secretary that I would want to maintain faith with producers to some degree and that might have been in his thinking in asking for this \$1.05. There are advantages and disadvantages in it. I do not know which one is best.

Mr. JENNINGS. What are some of the advantages?

Mr. BATTLES. Well, the advantage is that it does protect farm income to that degree if we have a fixed price.

Mr. JENNINGS. To the noncomplier?

Mr. BATTLES. To the noncomplier.

Mr. JENNINGS. Is that not the ultimate aim?

Mr. BATTLES. That is part of the aim, to raise farm income. It is to get cooperation and to stabilize the whole situation and get rid of the surpluses.

Mr. JENNINGS. Our aim is to stabilize farm income by using this conservation reserve and bringing the production in hand. Is that not a vehicle of a fixed price at a lower level?

Mr. BATTLES. That is right.

Mr. JENNINGS. That is all.

Mr. BAILEY. Just by way of comment to some discussion yesterday as to whether the other feed grains—oats, barley, and rye—should be included under this program: We would suggest the possibility that those feed grains might be excluded, for two reasons. One is that they have not formed a major portion of our surplus and are not a very large surplus in supply. The other is that we include them. And sometimes it disrupts the farmer's practices. And it is getting late in the case of oats to make it effective. It would simplify the program if grain sorghums and the like were included.

Mr. POAGE. Mr. Short?

Mr. SHORT. No questions.

Mr. POAGE. Mrs. May?

Mrs. MAY. Mr. Battles, I would like to ask a question in another area about the possible effect of this bill, because your organization, along with the National Wheat Growers Association and the Farmers Union, is still backing a bill in which the farmers in my area are interested. The bushel marketing control plan for wheat. I am sure that the Grange is still backing that, is it not?

Mr. BATTLES. Yes.

Mrs. MAY. I have been trying to study this bill and its possible future effect on that legislation. You have to agree that one of the effects of this legislation would be that we would be able to feed the wheat in my area and all areas like it. Do you see any hindering effect of this legislation against a background of the total feed grain problem? It is very difficult for me, in other words, to try and make up my mind on this bill and separate the handling of feed grains, corn and the like, from wheat as wheat.

Can we reconcile both programs, or if we go on with this approach will we endanger the possibility of passing legislation for what the Grange favors?

Mr. BATTLES. We are very conscious, Congresswoman May, of the problem of wheat and its feeding ramifications, and insofar as the effect of this program on feed grain supplies is concerned, with 75 million tons carryover of feed grain supplies. And with this program not being geared up to reduce that more than 15 or 18 million tons, we will still be faced with a real feed grain problem. We are going to have lots of feed grains for a while yet.

We would hope that the wheat legislation could be geared in such a way that it would not be a problem to feed grain supplies.

Mrs. MAY. My hope is the same as yours, Mr. Battles. This is my fear in enacting this legislation now. Because I am interested in the wheat program in particular, it is very difficult for me to try to make an intelligent decision as to the relation of feed grains to wheat, which, I believe, should be part of our consideration whenever we talk of any grain program.

Mr. BATTLES. Yes, madam.

Mrs. MAY. In going over this legislation I would appreciate any help that your organization or any of the others might be able to give in regard to their thinking on this bill or this program. That is all, Mr. Chairman.

Mr. POAGE. Mr. Coad?

Mr. COAD. I would like to ask one question regarding the soybeans situation. Of course, soybeans are a very important crop in my area.

The Secretary yesterday said that the support price would be on the basis of \$2.30 a bushel. I would like to have your opinion on this. If the Congress amended the bill to \$1.30 on corn and it was signed, would you think that the price support on soybeans then should be raised, lowered, or remain the same?

Mr. BAILEY. Well, I think the Secretary partially answered that question; and that was that his intention in setting \$2.30 for soybeans was to be enough above the corn to pull acres out of corn into soybeans. The extent of the differential would determine how much goes out of corn and into soybeans. He was figuring \$2.30 on the basis of \$1.20 for corn.

Mr. COAD. He did say it was \$2.30—if there were no corn program enacted and the corn price remained at \$1.06.

Mr. BAILEY. He felt that would be advisable, of course. If corn remains at \$1.06, \$2.30 is extremely attractive for soybeans.

Mr. BATTLES. There is a little confusion on that, too. I was not sure what his point was yesterday. In the press conference he tied the two things together.

Mr. BAILEY. He tied them together. He felt that he was committed to make an announcement officially at a later time, of at least \$2.30 on soybeans, regardless of what happened on corn.

Mr. COAD. At least \$2.30?

Mr. BAILEY. Yes.

Mr. COAD. If we passed a bill on corn of \$1.20—

Mr. BAILEY. That was the indication that he gave us at the Department down there in a briefing: that he wanted enough differential to pull 2 to 4 million acres of corn into soybeans; and he felt that it would take that \$1.10 differential to do it.

I would assume that if corn supports were raised to \$1.30 that he would probably raise soybean supports proportionately. That is an assumption. I don't know.

Mr. COAD. That is all. Thank you.

Mr. POAGE. Mr. Latta?

Mr. LATTA. No questions.

Mr. POAGE. Mr. Albert?

Mr. ALBERT. Have you analyzed the effect of this legislation with respect to prices of livestock, poultry? Do you think it will have an effect, that is, on the prices that the producers get?

Mr. BATTLES. Well, we would on the short-time basis. I agree with what was said yesterday.

If feed prices go up—that is what Mr. Cochrane said—there will be some tendency for a slight cutback in livestock numbers.

We based our thinking on this program on the assumption that feed prices, on the whole and on the average, would not go up very much from present levels.

Mr. ALBERT. If that be true and this bill sets a level at \$1.20 or \$1.30 would it make any great difference between those two figures?

Mr. BATTLES. That is right—on the livestock—if the open market sells at \$1.65, then there would not be much difference—if it does.

Mr. BAILEY. The soybean meal prices would go up a little bit.

Mr. ALBERT. I did not hear you.

Mr. BAILEY. So would cottonseed meal, because you would raise cotton supports to those of soybeans, which would raise it from \$37 to \$38 a ton gin price, to around \$46 to \$47 a ton for cottonseed meal. So

cottonseed and soybean meal as it is used in the livestock mix would increase the price in the cost of livestock.

Mr. ALBERT. Do you have the figures—I did not get them from the testimony yesterday—on how much feed grains are fed domestically each year? What is that in bushels?

Mr. BATTLES. Feedstuffs disappearance in total millions of tons, which is all feedstuffs, ranges from, in 1950 when it was 130.4 million tons; in 1955 it was 132.1 million tons; and in 1960 it was 163.8 million tons.

Mr. ALBERT. That is total disappearance?

Mr. BATTLES. This was total disappearance of feedstuffs to livestock.

Mr. ALBERT. That includes foreign trade?

Mr. BATTLES. I don't think so.

Mr. ALBERT. Does it include foreign trade?

Mr. BATTLES. Just a minute. I can find out.

Mr. BAILEY. I believe it does—I am not sure—I think that is disappearance.

Mr. ALBERT. That excludes foreign trade?

Mr. BATTLES. I think the corn use is somewhere around—

Mr. BAILEY. Somewhere around three.

Mr. BATTLES. This is quantity fed to livestock—feedstuffs disappearance fed to livestock, 1960, 163.8 million tons.

Mr. ALBERT. That is domestic?

Mr. BATTLES. Domestic to livestock.

Mr. ALBERT. And how much of that goes abroad under dollar sales—do you have that?

Mr. BATTLES. I would have to look that up, too.

Mr. ALBERT. Maybe I can refer that to a Department witness. Thank you very much.

Mr. POAGE. Before I call on Mr. Hoeven, I want to get one thing worked out. How far do you want to go on questions? We have a number of other witnesses. I do not want to cut anybody off, but if we are going to go over the same thing again, we will be here for several weeks, rather than a day. We have to start working on this legislation.

I did not ask any questions. I do want to give Mr. Hoeven an opportunity to question. Do we want to take up the other witnesses now? I do not want to cut anybody off. Some of you have already asked questions the second time, but do you want to spend the rest of the morning on one witness, or do you want to hear the other witnesses?

Mr. MATTHEWS. Perhaps we can proceed a little more rapidly. I have not asked a question, but I have heard the same information four different times.

Mr. POAGE. I know that. It seems to me that there is no purpose in asking the same questions over and over and over of the witnesses.

Again, I am not trying to cut anybody off. I will probably take as much time as anybody, but if you want to shorten the hearings I will try to help you.

Mr. Hoeven?

Mr. HOEVEN. Mr. Chairman, I expect to abide by the suggestions of the chairman and do not want to be repetitious.

I am disturbed about the attempt to fix prices in dollars and cents without reference to the parity formula.

The Secretary was interrogated on this matter yesterday. He was asked if he would prefer to have discretionary authority to fix the price, rather than to peg it? I understand the Secretary to say that he would have no objection.

When you start pegging the price at \$1.20, or any other figure, we are establishing a dangerous precedent. The first thing you know we will be pegging the price of pork chops.

Mr. BATTLES. Well, you are right, that price fixing is dangerous. In this situation we are in now, it is a matter of alternatives, and I suppose if any of us were Secretary and were going to make or to reach the objectives that we all want to reach, that we might have a better chance of reaching them if we did announce the incentives pretty well.

Mr. HOEVEN. May I interject at that point?

Mr. BATTLES. Yes, sir.

Mr. HOEVEN. The Secretary said he intended to fix the price support at \$1.20.

Mr. BATTLES. Yes.

Mr. BAILEY. And the price support would have to be in advance of the signup for compliance, the cooperators would have to know what it will be, whether this committee or the Congress or the Secretary sets it.

Mr. HOEVEN. That is all. Thank you.

M. POAGE. Thank you, Mr. Hoeven.

We are very much obliged to you, Mr. Battles and Mr. Bailey.

Mr. BATTLES. Thank you.

Mr. POAGE. We will call on Mr. Reuben Johnson next of the National Farmers Union.

STATEMENT OF REUBEN L. JOHNSON, ACTING DIRECTOR, DIVISION OF LEGISLATIVE SERVICES OF THE NATIONAL FARMERS UNION

Mr. JOHNSON. Mr. Chairman, I should like to indicate for the record how happy I am to see the Honorable Clarence Cannon present at the hearing of the Agriculture Committee on feed grains. His presence here indicates his longtime interest in agriculture.

Congressman Cannon, I am very happy that you are here to listen to the testimony.

I would like, also, Mr. Chairman, to welcome Congressman Harvey back. He is a familiar face on this committee for many years past. We are very happy to have him back with us.

Mr. Patton had hoped that he would be able to appear at this first hearing of the House Agriculture Committee on farm income-improvement legislation in the 87th Congress. He is unable to be here because of a longstanding commitment to speak at the 25th anniversary of the Canadian Federation of Agriculture in his capacity as president of the International Federation of Agricultural Producers.

We appreciate very much the opportunity to appear before the Subcommittee on Livestock and Feed Grains to present the views of National Farmers Union on the feed grains program presented to the Congress by this administration. We are encouraged by the proposal presented by Secretary Freeman to the subcommittee because it raises the incomes of feed grain producers while relating the support

price of the feed grains to corn on the basis of the exact feed value equivalent.

The position of National Farmers Union on legislation to raise the income of farm families has been expressed many times in the past before the House Agriculture Committee and its subcommittees. The record will show that we have been consistent in maintaining a position in support of legislation which increased farm income and that we have opposed legislation which, in our judgment, would lower farm income.

We believe that considering the alternatives with which feed grain producers are faced, the legislation before you is worthy of your support and of the support of the Congress. There is just one change in the bill before you which we recommend.

Following the recommendations of the Feed Grains Advisory Committee, we urge you to increase the support price of corn to \$1.30. With the support price for corn set at \$1.30, the support price of grain sorghums would be \$2.20 per hundredweight, calculated on the basis of 95 percent of the feed value of corn. We have no objection to you specifying the support level at which grain sorghums and other feed grains will be supported, if in your wisdom you decide on such procedure. We have full confidence in the Secretary and his staff to correct the imbalance in support prices of feed grains in past years.

With the attention that the subcommittee has given in the past to the need for a better feed grains program, we have confidence in the decisions you will make on the administration's proposal. We appreciate what we understand to be a sincere desire on the part of all the members of the House Agriculture Committee to work with the new administration on programs which will substantially raise the income of farm families in the years ahead.

I have prepared three examples of the different alternatives to the feed grains problem, and I respectfully request your permission to make them a part of the record at this point.

Mr. JENNINGS (presiding). Without objection they will be made a part of the record.

(The examples follow:)

EXAMPLE OF HOW THE PROGRAM WOULD WORK ON A CORN BELT FARM

1. Production and gross income with corn supported at \$1.30

	Acres 1961	Yield 1959-60	Production	Value at price- support level of \$1.30
	<i>Million</i>	<i>Bushels</i>	<i>Million bushels</i>	<i>Million dollars</i>
Corn.....	48	¹ 52	2,496	3,245
Oats.....	20	40	800	² 492
Soybeans.....	20	25	500	³ 1,150
Total cultivated acres.....	88			
Conservation use.....	12	Conservation practice payment 600 bushelsX 0.78=		468
Total value.....				5,355

¹ Assuming land put to conservation use in less than average productivity and more intensive practices are used on remaining acres.

² Assuming a 23 percent increase in price support for corn.

³ Assuming support price at \$2.30 per bushel.

2. Production and gross income with corn supported at \$1.20

	Acres 1961	Yield 1959-60	Production	Value at price- support level of \$1.20
	<i>Million</i>	<i>Bushels</i>	<i>Million bushels</i>	<i>Million dollars</i>
Corn.....	48	1 52	2, 496	2, 995
Oats.....	20	40	800	² 453
Soybeans.....	20	25	500	³ 1, 150
Total cultivated acres.....	88			
Conservation use.....	12	Conservation practice payment 600 bushels× 0.72=		432
Total value.....				5, 030

¹ Assuming land put to conservation use in less than average productivity and more intensive practices are used on remaining acres.

² Assuming a 13 percent increase in price support for corn.

³ Assuming support price at \$2.30 per bushel.

3. Production and gross income under existing program

	Acres 1960 (million)	Yield 1959-60 (bushels)	Production (million bushels)	Value at old price- support level (million dollars)
Corn.....	60	50	3, 000	3, 180
Oats.....	20	40	800	400
Soybeans.....	20	25	500	925
Total cultivated acres.....	100			
Total value.....				4, 505

Mr. JOHNSON. I will be very happy to try to answer any questions that you members of the subcommittee or other Members present may have.

Mr. POAGE (presiding). Mr. Dague?

Mr. DAGUE. I have no questions.

Mr. POAGE. Mr. Quie?

Mr. QUIE. One question is about the difference between support level and the price which the Secretary would offer CCC stocks on the market. What is your opinion on that?

Mr. JOHNSON. Congressman Quie, are you asking the position of the Farmers Union with regard to the suggested amendment to section 3?

Mr. QUIE. Yes.

Mr. JOHNSON. Let me say that we have confidence in the Secretary. We believe that it would be all right to give him the authority in section 3 to move feed back into the market, out of CCC stocks at whatever price that he thought would serve the interests of producers best.

I, personally, do not believe that the amendment that was proposed here by the Secretary is needed. We support the Secretary in the alternatives that he would have under the section 3 as it was originally drafted.

Mr. QUIE. I understand in another program, the cotton program, the price support is at 82 percent of parity this year, under the law the resale price cannot be less than 15 percent above the support level, which is exactly opposite of what we are attempting to do in the feed grains program now.

What is your position with regard to that?

Mr. JOHNSON. We are talking about two different types of programs. This is a 1-year emergency program. It is a voluntary program, whereas the cotton program is not.

In order for the Secretary to make this program work and to protect the incomes of producers, I believe it would be much better for him to have the broad authority of section 3 that it gives him as it is presently drafted.

This program will work best if there is a high percentage of participation in it. I think this has been well illustrated by the Secretary's testimony yesterday.

This section 3 does give the Secretary a little advantage. It is kind of like having an ace in the hole before the card game starts except in this case producers hard hit with low incomes on feed grains are going to be perfectly willing for the Secretary to have this ace in the hole before the card game starts because by him having the ace in the hole we anticipate that the larger percent of producers will think twice at planting time before they decide to put their entire farm into corn.

Mr. POAGE. Any questions?

Mr. MATTHEWS. No.

Mr. POAGE. Mr. Short?

Mr. SHORT. You made the statement that you regard this will cause the income of the feed grain producers to increase and conceivably you arrive at that deduction by virtue of the fact that this will probably raise the price of feed grains.

Mr. JOHNSON. That is right.

Mr. SHORT. I am wondering if you think there would be an adverse effect on producers of feeder cattle. It seems to me it follows that as the cost of feed rises the feeder must pay less for his feeder cattle if he is going to come out at a profit in his operation.

Mr. JOHNSON. I have never been in the cattle feeding business, Congressman Short. I know that the feeders of cattle consider many factors when they plan their operations. Of course, one of the most important of these is the cost of feed grain.

I have not made any detailed study of the effects of this program on cattle feeders. It could well mean, however, that the number of feeder cattle producers might tend to slow up or to cut back, and, therefore, to wait to see what the effect of this program would be. If they do this and cut the number of feeder cattle, then I think there is a good possibility that the feeder cattle prices to the producers might increase.

Mr. SHORT. I would be thinking this, if they cut back you are going to reduce their income because I think you have reached the saturation point so far as consumption of beef is concerned at the present price.

Mr. JOHNSON. Again, it is a value judgment on my part, but if the prices of cattle went up, even though they cut back, it is conceivable

they might come out just as well. You and I both know that feeding cattle is a risky business, and there are many factors which affect this type of farm operation. It is a risky business and requires so much capital that cattle operation tends to be concentrated on a fairly large-scale basis.

A man that is able to and has the capital to get into the business has other alternatives that are open to him, also, for using that capital. In many cases he is a man that has other interests besides farming in this day.

I look with more concern and interest at the family farm producers of feed grains, considering their needs for increased income. Cattle feeders will, as they have for a long time, considering all of the factors, take care of themselves in decisions that they make.

Mr. SNORT. I will agree with you that there are some very large cattle feeding operations that are going on in this country, but by the same token, I think I must insist that the vast majority of the cattle fed in this country are fed, certainly, on normal family-sized operations, family-type farm operations.

Mr. JOHNSON. Yes; there are some cattle fed there, I would agree with that. But finished cattle tend more and more to be fed out by large-scale operators, with the family farms and ranches furnishing the feeder stock.

Dr. Cochrane went into this in some detail yesterday on hogs and poultry, and I thought that he gave a good answer. It was as accurate as can be given at this point as we look at the effect on livestock prices from this kind of a program.

Mr. SHORT. I might add here in all sincerity that Dr. Cochrane's observations about the cattle business would scare the daylights out of some of the ranchers in the West. Their practical experience and his views as an economist somehow do not quite jibe. Which one is right, I am not able to say.

Mr. Chairman, that is all.

Mr. POAGE. Thank you. Does anybody else have questions?

Mr. HAGEN. You made a statement there would be a large percentage of participation. And, also, you supported an increase in the support levels from \$1.20 to \$1.30.

Mr. JOHNSON. Yes.

Mr. HAGEN. Is it not true that if you are going to get the required degree of participation, and you raise the support level, you will have to raise the price level on this entire payment program considerably to maintain the same spread; in other words, if you raise the cost of one part of the package, the other part of the package goes up too; is that not correct?

Mr. JOHNSON. Well, I think this is up to the decision that will be made here—and to the Secretary. It would be left up to the Secretary, I think, under the terms of the bill.

Mr. HAGEN. If you peg supports at \$1.30, the amount of payment per acre will go up according to the administration bill.

Mr. JOHNSON. Your question was related to the cost of the conservation acres?

Mr. HAGEN. That is right. In other words, if you reduce this spread by raising the price support, and not raising the retirement payment, you are going to get a smaller degree of participation.

Mr. JOHNSON. I am not sure that would be the effect of it, Congressman Hagen.

Mr. HAGEN. It is a possibility, though?

Mr. JOHNSON. In fact, I think I could make a good case for the \$1.30 support level on corn increasing participation in the program.

Mr. HAGEN. We will leave that. As I understand your position, it is that raising the price of feed grains will not raise the price of cattle and hogs.

Mr. JOHNSON. I do not think I made that as a flat statement. I indicated that the effect of this program on feeding operations might well be to raise the price of feeder cattle to producers.

Mr. HAGEN. Now, to the extent that you raise the price of feed you increase the cost of doing a livestock business for example.

Mr. JOHNSON. I am one who thinks there is a definite relationship between the price of feed and the price of livestock to producers. And I think if you look back over the historical profile, comparing prices of feed grains with the prices of feeder cattle, you will see there is a relationship. There has to be; otherwise, there would not have been many people feeding cattle in 1952 when corn was selling at \$1.65 a bushel.

Mr. HAGEN. Regardless of your personal views, I believe it was stated yesterday there would not be an increase, as stated by Dr. Cochrane, in the sale price of cattle. According to Mr. Harvey, probably 80 percent of the corn raised was fed by farmers to their own hogs, and they would have to be attracted by the payment program rather than price support increases.

Mr. JOHNSON. I think that is a little high.

Mr. HAGEN. A large percentage.

Mr. JOHNSON. A large percent.

Mr. HAGEN. In the past they have not participated in the corn support program.

Mr. JOHNSON. Not all of them.

Mr. HAGEN. A lot of them have not. So to the extent that you raise the price of feed and do not raise the price of livestock, you are doing him a disservice?

Mr. JOHNSON. The effect of this program might be to cause some adjustments, but these adjustments might well be desirable from the standpoint of the livestock producer. I am inclined to accept that as a basic premise on which to view this kind of program.

Mr. HAGEN. California is a feed grain deficit area. It is possible that this program might work adversely to the farmers of our State.

Mr. JOHNSON. Let me say again when you look at a period when corn was selling for \$1.65 a bushel, I think you will see that the producers of poultry, the producers of feeder cattle, the producers or the suppliers of cattle to the feeders, were all enjoying a period of better prosperity, more income, than they are enjoying now with corn at \$1.06. And I think that the adjustments that livestock producers will make would be good for the livestock industry rather than harmful.

Mr. HAGEN. Thank you.

Mr. POAGE. Are there any other questions? If not, we are very much obliged to you. We appreciate your appearance.

Mr. HOEVEN. I would like to ask one question.

Mr. POAGE. We will be glad to have you do so.

Mr. HOEVEN. Mr. Johnson, what is your recommendation as to what the parity ratio of corn should be?

Mr. JOHNSON. Mr. Hoeven, I think that you are familiar with the fact that we have supported legislation which would give producers the right to develop a program for controlling production presented to them in referendum for approval by two-thirds of the producers of the respective commodities and that we would base our long-term farm program on this type of procedure.

As to what the support level should be ultimately, our position, as you well know, is a full parity income program.

I might add that we are very happy that President Kennedy, in his statement on agriculture policy in the new frontier, also, embraced this as the desirable objective toward which we ought to move.

Mr. HOEVEN. Your organization, of course, historically has stood for 100 percent of parity, has it not?

Mr. JOHNSON. Our position is for full parity of income, of giving producers income for their management, capital, and labor on an equal basis with the earning power of people in the nonfarm sector who make similar contributions in their endeavors.

Mr. HOEVEN. In some of your publications of late you have been rather critical of the former Secretary of Agriculture because the parity ratio only stood at 80 percent of parity. Now I am rather surprised to find you recommending a bill which provides for 74 percent of parity.

Mr. JOHNSON. Congressman Hoeven, we are not writing here a long-term permanent program for agriculture. And if we were, I would have to take a somewhat different position than that which I have just stated. We are talking about a 1-year emergency program.

We have to move rather rapidly if this program is to go into effect in 1961. And it is on this basis that we make the recommendations that we do.

Mr. HOEVEN. That is all. Thank you.

Mr. POAGE. Thank you.

Mr. COOLEY. I want to ask permission to file a statement for the record by President Charles Simpson of the American Soybean Association of Hudson, Iowa.

Mr. POAGE. That may be included in the record.

(The statement follows:)

STATEMENT OF CHARLES SIMPSON, PRESIDENT OF THE AMERICAN SOYBEAN
ASSOCIATION AND INDUSTRY

Soybeans are a unique agricultural commodity. Producers of soybeans ask no additional help from Government and want nothing more than to be allowed to further expand markets for their commodities and to expand production commensurate with the market's ability to absorb the end products. No further governmental aids, no acreage controls, no export subsidies or quotas are either desired or deemed necessary. Our major concern is that hasty governmental action under the guise of assistance to the soybean industry may, in effect, be highly detrimental to the longtime interests of the producer of soybeans.

The possibility of governmental action shifting to our industry the surplus problems of other agricultural commodity groups by expecting us to absorb the surplus acreage removed from those crops, and the concern that overzealous price-support enthusiasts may promote price-support levels above the figures that will permit continued expansion of markets for our products both at home and abroad are ever present.

PRODUCTION

Production of soybeans in the United States has tripled since the end of World War II and current stocks of soybeans may be inadequate to meet total needs, as evidenced by recent price gyrations. Over 11 million acres have been absorbed from other commodities which would be in even greater surplus position were it not for this acreage transfer. Price-support levels, through request of the American Soybean Association, have been kept at insurance levels only, with an avowed intent to determine how many soybeans the markets could absorb. Production has risen from 180 million bushels to 550 million bushels per year through acreage increases and per acre yield increases. The support price, with very few exceptions, has had no relationship to the actual selling price, as the crop has moved at levels well above supports. Soybeans are still a new crop. The markets are still expanding. We still do not know what the ultimate market will be. Time and policies to encourage the growth of markets only will tell.

From a position of being the world's largest net importer of fats and oils the United States has reversed its position and has become the world's largest net exporter of fats and oils and oil-bearing materials, largely due to the increase in soybean production. During the past year 142 million bushels of soybeans have been merchandised in world export markets which did not exist 12 years ago, and every bushel has moved for dollars. In addition, the oil from nearly 100 million additional bushels of soybeans has been shipped into world markets, two-thirds of it for dollars, and some 700,000 tons of soybean meal has moved into exports, all for dollars.

PROGRAM OBJECTIVES

Because of this situation the problems of the soybean producer are different than those of the producers of most other major commodities. The objectives of any farm program, so far as soybeans are concerned, should be twofold:

1. Encourage soybean production increases at a rate sufficient to supply expanding markets as rapidly as they can be developed, without shifting the surplus acreage problems of other crops to the soybean crop; and
2. Maintain support prices on soybeans at a level which will encourage gradual increases in production without pricing the end products out of world markets and creating surpluses that will back up into CCC hands.

Short-term goals for 1961 and 1962 include both the above points and to the desirability of expanded market development work on soybean products and the building of markets which will eventually absorb a billion bushels of U.S. soybeans per year. In the increase in acreage necessary to produce this quantity of soybeans each year the surplus acreage problems of other commodities such as corn, cotton, and wheat will be partially solved as the soybean crop takes over that acreage.

The soybean crop has never yet been in any real trouble marketwise because production has been expanded only as rapidly as markets could be developed. The 1960 soybean crop totaled 558 million bushels, yet the carryover as of last October 1 from the previous year was only 23 million bushels. The Government now holds fewer than 10 million bushels of soybeans in storage, and it is expected that there will be very little, if any, carryover next October 1.

Soybeans have been in the enviable position of costing the Government very little for the price-support program, and in contrast to other price-support programs have even been operated at a profit to the Government most years. On the other hand they have diverted acres from crops that are in surplus and thus lessened the burden of their support. Soybeans were harvested from 24 million acres in 1960. A large part of this acreage would have been planted to surplus-producing crops if it had not been in soybeans.

The primary objective of the American Soybean Association is simply stated: We want to broaden the markets for soybeans and for the two main products, soybean oil and soybean meal, and we want to continue to produce for consumption in the market and not for Government storage. This objective has broad support in the entire soybean industry.

MARKET EXPANSION

Our markets, foreign and domestic, are expected to absorb before the yearend practically all the 580 million bushels of soybeans that were in supply last October 1. We believe it is realistic to forecast that markets can be expanded to absorb 1 billion bushels of soybeans annually within the next decade. One

informed observer says the domestic market alone will require another 10 million acres to be planted to soybeans in the next 10 years—to produce between 200 and 250 million bushels annually above present production levels. The U.S. Department of Agriculture forecasts that export demand for U.S. fats and oils will expand by 30 percent by 1965, which would require another 150 million bushels, the output of 6 million acres. By the time we are producing a 1-billion-bushel crop of soybeans we will be devoting nearly 40 million acres to the crop. This should mean that another 16 million acres can eventually be taken out of surplus-producing crops and transferred to soybeans.

Thus we believe that soybeans are making a very substantial contribution to the solution of the agricultural surpluses and can play an expanding role in the future. But as substantial as this role is, it should be realized that soybeans cannot solve all agricultural problems, or absorb all of the surplus acres today or in the near future. We cannot shift acres into soybeans in advance of expansion of the markets. To do so will make soybeans another surplus crop, and merely shift the farm surplus problem from one crop to another. The moment this happens the historic role of the soybean crop in U.S. agriculture will have been destroyed.

POLICIES TO DATE

We believe the continued health of the soybean industry has been due in no small part to the philosophy of the American Soybean Association and the soybean industry:

(1) We have adhered to a realistic pricing policy, which has been to price soybeans as high as the market will permit, but not so high as to price them out of either U.S. or world markets. We have accepted support prices at a level to give producers the benefit of the loan or purchase agreement, but not so high as to result in a burdensome accumulation in Government storage.

(2) Coupled with a moderate pricing policy has gone a vigorous effort to expand the markets for soybeans and to keep them moving into the channels of trade. The American Soybean Association has been operating a market development project in Japan utilizing Public Law 480 foreign currency since 1956, and has played no small part in seeing the export of American soybeans to Japan rise from 20 million bushels in 1956 to double that, or 40 million bushels by 1960. The Soybean Council of America, Inc., an industrywide promotional agency established by producers and processors, last year signed a world agreement with the Foreign Agricultural Service, USDA, covering availability of foreign currencies in over 40 countries. Currently they are engaged in active promotional work of soybeans and soybean products in many of these countries. Unquestionably the work done jointly by the American Soybean Association and the Soybean Council of America, Inc., in promoting export markets for soybeans and soybean products has greatly added to the increased demands of these foreign markets. During the 5 years these export programs have been in effect, annual U.S. export sales of soybeans have increased from 67.5 to 142 million bushels, all for dollars; exports of soybean oil from 556,394,000 to 952,754,000 pounds, of which two-thirds was exported for dollars; and exports of meal from 400,359 to 652,300 short tons, all sold for dollars.

IMPLEMENTATION OF THE AMERICAN SOYBEAN ASSOCIATION'S PROGRAM

In relation to—

(a) The consumer: The population of the United States is expected to increase 10 percent between 1959 and 1965, with rising consumer incomes during the period, according to the U.S. Department of Agriculture. This means a larger overall demand for farm products and an expected continued shift away from consumption of carbohydrates to consumption of fats and oils and proteins due to rising purchasing power. Greater consumption of milk, meat, poultry, and eggs, all of which depend on adequate supplies of soybean meal for livestock rations, will demand greater supplies of protein feeds.

Thus the American Soybean Association's program of expanding production of soybeans at reasonable prices is seen to be admirably geared to the needs of the consumer. It might be pointed out that neither fats and oils nor proteins have yet been in substantial surplus. In fact, protein—including both vegetable and animal protein—has never yet been produced in large enough supply to make possible a completely adequate diet either for livestock or human beings in this country.

The increasing population, coupled with the rising standard of living, will demand larger supplies of fats and oils and proteins. The soybean crop will be in position to supply soybean oil for such products as table spreads, vegetable shortenings, salad oils, and frozen desserts. Soybean meal will be available to feed an expanding livestock population, and a large number of special food uses. As the market demands greater quantities of soybean products, the acreage can be easily shifted from other crops or from acreage reserves.

(b) Depressed areas and needy families: The above remarks also apply to needy families, who will benefit from a plentiful supply of fats and oils and proteins—both vegetable and animal, at reasonable prices. The addition of fats and oils to the list of products available for domestic relief feeding should be considered any time fats and oils are in surplus supply.

(c) Internal economy of the United States: Promoting expanding markets for soybeans and soybean products, and in turn gearing the production of soybeans to these markets will strengthen our internal economy primarily in three ways:

(1) By making it possible to shift acres from other crops in surplus into soybeans as the market for soybeans expands. This will contribute to the solution of the surplus problems in other commodities and will offer farmers a profitable use for their acres and contribute to their overall prosperity.

(2) By offering a plentiful supply of highly nutritious fats and oils and proteins at reasonable prices we will increase the purchasing power of consumers and add to their general well-being.

(3) By undergirding the rapidly growing livestock industry which will be required by an expanding human population and rising standard of living in the United States through an adequate supply of protein concentrates at reasonable prices for livestock feed. Such supplies can only be supplied by a larger soybean crop. There has been an intimate relationship between the rapid growth of the soybean crop, the growth of livestock numbers and the consumption of larger quantities of livestock products in human diets during the past quarter century. This growth in the livestock industry and change in the human diet would have been impossible without the adequate supply of protein that has been furnished by soybean meal. At present three-fourths of the tonnage of all oilseed meals produced in the United States and over half of all protein concentrates, including animal products, is soybean meal. And soybean meal can continue to undergird this part of our economy if the expansion of soybean acreage keeps pace with the growth of livestock numbers.

(d) U.S. foreign policy including use of American productivity to promote economic and political progress: Generally speaking, the world has an abundant supply of carbohydrate foods. The foodstuff substances that are lacking in most part in the diet of the underfed peoples are proteins and fats and oils. The soybean is the largest and most economical supplier of both fats and oils and a high quality protein. Potential markets of the world are tremendous. These include both dollar markets and the so-called soft currency markets. If America's ability to produce food is going to be used to promote world economic and political stability, the foods that are most needed should be considered along with the foods that we produce in surplus. We have a total agricultural output that well exceeds our ability to consume. If export markets can be developed to consume a larger quantity of soybeans and soybean products, it will tend to relieve the total overproduction problem by a shift in acreage from surplus crops to those crops in demand by the export trade. This will not only assist in relieving the agricultural surplus problem but aid our overall balance of trade and at the same time assist in raising the nutritional levels of the people of the world and create favorable political environment.

SUMMARY

In summary, the objectives of the American Soybean Association are:

(a) Price supports at a level that will provide soybean producers with protection through the loan or purchase agreement, and still encourage them to market their commodity without creating burdensome accumulations in Government storage.

(b) Protection from too rapid acreage shifts from other commodities into soybeans that would increase the production of soybeans faster than markets can be developed, which would shift the farm surplus problem from one crop to another, but solve nothing.

(c) Continued and expanded availability of Public Law 480 foreign currencies with which to explore and develop additional markets for soybeans and soybean products abroad.

Mr. POAGE. The next witness is Mr. Charles B. Shuman, president of the American Farm Bureau Federation. We are glad to have you, Mr. Shuman.

STATEMENT OF CHARLES B. SHUMAN, PRESIDENT, AMERICAN FARM BUREAU FEDERATION; ACCOMPANIED BY JOHN C. LYNN, LEGISLATIVE DIRECTOR; AND MARVIN L. McLAIN, ASSISTANT LEGISLATIVE DIRECTOR

Mr. SHUMAN. I have Mr. Jack Lynn and Mr. Marvin McLain to sit with me and to help me, if it is all right.

Mr. POAGE. Very well. We are very happy to have each of them.

Mr. SHUMAN. We appreciate the opportunity to present Farm Bureau's views on the special program for feed grains for 1961 as submitted by the administration. We would also like to make some recommendations that we think will be helpful to this committee and the Congress in dealing with the wheat and feed grain problem and its solution.

As an introduction to our recommendations, I would like to say a few words about Farm Bureau, its members, and their philosophy.

Farm Bureau is an organization of 1,600,792 farm families with member units in 2,674 counties in 49 States and Puerto Rico. Our policies are developed through an extensive policy development program which involves study, discussion, and action by the members, and their elected representatives, at literally thousands of meetings each year. Every member has the opportunity to participate, and all are encouraged to do so. We do not claim this process to be perfect. We are constantly seeking to improve it; however, we are proud of the fact that our policies reflect the active participation of hundreds of thousands of our members.

As a general farm organization—representing members who live in all important farming areas and produce all of the many farm products grown in this country—Farm Bureau must, of necessity, reconcile regional and commodity differences. Our goal is to serve the best interests of agriculture from an overall standpoint, and to do so on a basis consistent with the national interest.

While there is a serious problem in feed grains, we would point out that, relatively speaking, the problem in wheat is much worse. If we are to arrive at a workable solution of the overall problem of excess stocks of grain, we are of the firm conviction that wheat and feed grains must be considered together and at the same time.

In order that we may all better understand the overall grain situation, I list below table I which shows the average production, disappearance, and carryover of wheat and feed grains.

TABLE I.—Average output, disappearance, and carryover of wheat and feed grains—5 crop years, 1956-60

Crop	Average production	Average use ¹	Production as percent of use	Estimated 1961 carry-over	Estimated 1961 carry-over as percent of 1960-61 use
Wheat (million bushels)-----	1,181	1,091	108.2	1,526	132
Corn (million bushels)-----	3,862	3,697	104.0	2,000	48
Feed grains (million tons) ² -----	152	145	105.0	84	53

¹ Including exports.² Totals for corn, sorghum grain, oats, and barley.

Mr. SHUMAN. This table shows that the average production of wheat remains at 1.181 billion; of corn, 3.862 billion; feed grains, 152 million tons. And the average use is running as indicated there in the figures.

The production of the percentage of use for wheat is 108.2 percent and for corn is 104 and for feed grains, including corn, 105 percent.

And the estimated 1961 carryover for wheat is 1.526 billion.

And we estimate the carryover as a percent of the 1960-61 use. This is a very important figure. We had 132 percent of the estimated use of wheat, whereas we only had 48 percent of the estimated use of corn; 53 percent of all feed grains.

Further comments on table I: Data in table I indicate that:

(a) Annual wheat production over the last 5 years has exceeded annual disappearance by an average of 8 percent. The accumulated wheat carryover is 132 percent of total 1960 use.

(b) Annual feed grain output over the last 5 years has averaged 4 percent above annual utilization. The present carryover is equal to 53 percent of total 1960 use.

We believe that a workable cropland retirement program which would cover wheat and all feed grains is very desirable. We also believe that a requirement for producers to shift a part of their cropland to soil conserving uses as a condition of eligibility for price support of wheat and feed grains is sound. At the conclusion of our statement we attach a copy of a bill which has already been introduced by several Members of Congress that would carry out our organization's view in this regard.

We are in sharp disagreement with the administration's complicated and dangerous proposal for a special, 1-year-only program for feed grains. We believe such a program would cause more problems than it would solve. It is unworkable and it would be highly disruptive to the livestock, dairy, and poultry industries.

The proposed program contemplates reinstating the discredited acreage allotment concept for corn and other feed grains. Cornbelt farmers, by their own choice and vote, discarded acreage allotments on corn under the Agricultural Act of 1958. Corn allotments never have worked, and farmers themselves voted them out. It is difficult to understand why anyone would consider reinstating them—even for 1 year.

The proposal to tie corn allotments and other feed grain allotments to a historical 1959-60 pattern is outright discrimination. The very person who has abused his farm, thus contributing to the surplus problem, would now be rewarded for this action. Farmers who are carrying on a good rotation, and not depleting their soil, would resent this.

Under our proposal, the amount of land a farmer must retire to qualify for price support on wheat and other grains is based on his total cropland, rather than the way he has used his cropland the last 2 years.

By raising price supports of corn and the other feed grains, the Government would be bidding against itself in trying to get farmers to retire land. Cutting acreage and raising price supports would give farmers a strong incentive to increase per acre yields on their remaining acreage through heavy use of fertilizer, supplemental irrigation, and other production-stimulating practices. Thus, much of the contemplated effect of cutting feed grain acreage would be lost.

As we understand the proposed program, there is nothing in it to keep a producer from shifting rotation pasture and hayland to soil depleting crops such as flaxseed or soybeans, and thereby actually increase his production of feed units while being paid for reducing other feed grain acreage.

A temporary 1-year program of the type that has been proposed would aggravate rather than solve the basic problem of excess productive capacity. In order to be fully effective, a land retirement program must provide for the same land to be held out of production for a period of years.

In our considered judgment, the cost estimate of the special 1-year feed grain proposal is far less than the amount that would be required if there should be a high degree of participation.

One of the most disturbing features of this special proposal is the obvious threat to use the Government's huge surplus stocks to beat down the market price of feed grains. This is a brand new and fallacious concept. Grain farmers and livestock people will strenuously object to this 1961 version of price control once they understand its implications. The effect would be to make the Government the market for the cooperator's grain, and to disrupt the livestock, poultry, and dairy industries by politically manipulating the release of Government stocks of feed grains on an unpredictable basis. Who would possibly lay in a stock of any feed grain with a threat like this hanging over the market?

The proposed increase in soybean support prices is a most unwise move. Soybean prices have been above the support level, and have been rising for several months. The soybean program always has worked well because price supports have been used to facilitate orderly marketing, rather than to fix prices. The present market price provides ample encouragement for increased production. With a support price of \$2.30 per bushel, as suggested, there is a strong probability that the growth of commercial markets will be restricted and soybeans will soon join the list of crops plagued with unmanageable surpluses.

Finally, we think it is extremely unfortunate, as we stated earlier in our testimony, that the administration has seen fit to propose a program for feed grains without indicating what it expects to pro-

pose for wheat. The surplus problem is far more serious for wheat than for feed grains. There is little point in asking farmers to reduce the production of feed grains until they can be assured that wheat will not be dumped into the feed market on a subsidized basis.

We appreciate the opportunity of appearing before your committee to present our views. We hope that the committee will start right now to develop a program for wheat and feed grains that will be ready for farmers who will be fall planting for 1961 crops.

We earnestly hope that you will carefully study our organization's "Cropland Adjustment Act of 1961" which deals with the overall wheat and feed grain problem on a permanent basis.

Copies of our bill and detailed explanation are attached.

(The suggested bill follows:)

A BILL To establish a cropland adjustment program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cropland Adjustment Act of 1961."

DECLARATION OF POLICY

SEC. 2. The Congress finds that the production of excessive supplies of wheat and other grains depresses the prices and income of farm families, constitutes improper land use, and is wasteful of our natural resources. It is hereby declared to be the policy of the Congress and the purpose of this "Cropland Adjustment Act of 1961" to bring the supplies of wheat and other grains in line with current demand so that the surplus of these commodities can be reduced, farm prices and per family farm income increased, and the tax cost of farm programs decreased. To effectuate the policy of Congress and the purpose of this Act, programs are herein established to assist farmers to divert a portion of their cropland from the production of excessive supplies of wheat and other grains, and to carry out a program of soil, forest, and wildlife conservation.

TITLE I—LAND RETIREMENT AND SOIL CONSERVATION

ANNUAL DETERMINATION—ELIGIBILITY FOR PRICE SUPPORT—PARTICIPATION IN PROGRAM—RENTAL PAYMENTS IN CASH OR KIND

SEC. 101. Beginning with the 1962 crop year the Secretary of Agriculture is authorized and directed to establish and carry out a cropland adjustment program. In formulating and administering such program the Secretary shall:

(a) Not later than February 1 of each year make and announce an annual determination of:

(1) the total cropland to be devoted to the production of crops in the United States in that year;

(2) the total acreage of wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flax necessary to bring the total estimated annual production plus the anticipated release from Commodity Credit Corporation stocks into balance with the estimated annual disappearance of such commodities; and

(3) a uniform percentage of the National, State, county, and farm cropland necessary to be retired and devoted to soil conserving uses in order to bring the total estimated annual production plus the anticipated release from Commodity Credit Corporation stocks of wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flax into balance with the estimated annual disappearance of such commodities.

(b) Notwithstanding any other provision of law make available, through loans and purchases, price support on wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flax to only those producers who voluntarily comply with the cropland adjustment program and retire and devote to soil conserving uses that percentage of their farm cropland determined by the Secretary pursuant to subsection (a)(3) of this section. Any cropland retired in compliance with the conservation reserve program established pursuant to subtitle B

of the Soil Bank Act, as amended (70 Stat. 188; 7 U.S.C. 1801 et seq.), shall be deemed to be retired and devoted to soil conserving uses for the purposes of establishing eligibility for price support on wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flax. Any cropland retired and devoted to soil conserving uses under the cropland adjustment program established pursuant to this title shall, in subsequent years, be deemed to have been planted cropland for the purpose of establishing cropland history and eligibility for price support on wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flax.

(c) Be authorized to enter into contracts for periods of from three to fifteen years with producers determined by him to have control for the contract period of the farms covered by the contract if such producers agree to retire and devote to soil conserving uses any or all farm cropland in excess of that required to be retired and devoted to soil conserving uses in order for such producers to be eligible for price support on wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flax. The Secretary shall encourage the retirement and conservation of whole farms and shall provide full opportunity for producers of all commodities to voluntarily participate in the cropland adjustment program: *Provided*, That the Secretary may place a maximum limitation on the percentage of total cropland which may be retired and devoted to soil conserving uses if he finds that the cropland adjustment program is having an unduly disruptive effect on the economies of counties and local communities.

The Secretary is also authorized to enter into annual cropland adjustment contracts with producers determined by him to have control for the contract period of the farms covered by the contract if such producers agree to retire and devote to soil conserving uses that percentage of their cropland required to be retired and devoted to soil conserving uses in order for such producers to be eligible for price support on wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flax.

(d) Make an annual rental payment, either in cash or in kind, to producers who: (1) Retire and devote to soil conserving uses with proper management that percentage of cropland determined by the Secretary pursuant to subsection (c) of this section, and (2) otherwise comply with the cropland adjustment program as set forth in this title. The Secretary shall set the rate of rental payments at such a level as he determines will provide producers with a fair and reasonable annual return on the land retired and devoted to soil conserving uses after taking into consideration: (1) The incentive necessary to achieve voluntary participation in the program and to improve farm income; (2) the loss of crop production on the retired acres; (3) any savings in cost which result from not planting crops; (4) the estimated profit margin of crop production on the designated acres; (5) continuing farm overhead expenses; (6) the cost of establishing a conservation practice on the retired acres; (7) the value of the land for production of commodities customarily grown on such kind of land in the county or area; (8) the prevailing rates for cash rentals for similar land in the county or area; (9) drought, flood, or other abnormal conditions; and (10) other relevant factors.

The rate or rates may be determined on an individual farm basis, a county or State basis, or such basis as the Secretary determines will facilitate the practical administration of the program. In determining the lands in any area to be covered by contracts entered into under this title, the Secretary may use advertising and bid procedure if he determines that such action will aid the administration of the cropland adjustment program.

On annual contracts the Secretary shall provide for such additional incentive as he deems necessary to encourage producers to retire and to devote to soil conserving uses for more than one year, the identical cropland which was originally retired and devoted to soil conserving uses as a requirement for eligibility for price supports.

Producers shall be compensated for participating in the cropland adjustment program through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem in accordance with regulations prescribed by the Secretary: (1) In cash upon presentation by the producer or by any holder in due course; or (2) in wheat, corn, oats, rye, barley, or grain sorghum upon presentation by the producer or by any holder in due course. The Secretary may provide for an additional incentive, not to exceed 10 per centum of the cash payment rate, for producers who accept certificates redeemable in kind. The Secretary shall limit the distribution of the certificates redeemable in kind if he finds the issuance of such certificates has an adverse effect on wheat, corn, oats, rye, barley, or grain sorghum market prices or upon livestock marketing

or livestock market prices. The Secretary shall discontinue the issuance of the certificates redeemable in kind when Commodity Credit Corporation stocks of wheat, corn, oats, rye, barley, or grain sorghum have reached a normal level as defined by law. Commodities delivered to producers in redemption of payment in kind certificates shall not be eligible for price support. In order to assist producers in the establishment of soil conserving uses on cropland retired under the cropland adjustment program, the Secretary shall coordinate such program with the agricultural conservation program established pursuant to the Soil Conservation and Domestic Allotment Act, as amended (49 Stat. 163, 16 U.S.C. 590 et seq.).

TERMS AND CONDITIONS OF CONTRACTS WITH PRODUCERS

SEC. 102. (a) Under any cropland adjustment contract the producer shall agree:

(1) To establish and main, with proper management for the contract period, protective vegetative cover (including but not limited to grass and trees), water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses on a specifically designated acreage of land on the farm regularly used in the production of crops (including crops, such as tame hay, alfalfa, and clovers, which do not require annual tillage).

(2) To allow to remain fallow and idle, throughout the contract period, an acreage of the remaining land on the farm which is not less than the acreage normally allowed to remain fallow and idle on such remaining acreage.

(3) Not to harvest any crop from the acreage established in protective vegetative cover, excepting timber (in accordance with sound forestry management), and wildlife or other natural products of such acreage which do not increase supplies of feed for domestic animals.

(4) Not to graze any acreage established in protective vegetative cover.

(5) Not to adopt any practice, or divert lands on the farm from conservation, woods, grazing, or other noncropland use, to any use specified by the Secretary in the contract as a practice or use which would tend to defeat the purposes of the contract.

(6) To such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of this title and to facilitate the practical administration of the cropland adjustment program, including provisions relating to control of noxious weeds.

(b) In the event that the Secretary determines that there has been a violation of the contract (including the prohibition of grazing on retired acreage) at any stage during the time such producer has control of the farm and that such violation is of such a substantial nature as to warrant termination of the contract, to forfeit all rights to payments or grants under the contract, and to refund to the United States all payments and grants received by him thereunder, including eligibility for price support on wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flax. In the event that the Secretary determines that there has been a violation of the contract but that such violation is of such a nature as not to warrant termination of the contract, to accept such payment adjustments, forfeit such benefits, and make such refunds to the United States of payments and benefits received by him, under the contract, as the Secretary may determine to be appropriate.

SEC. 103. The Soil Bank Act, as amended (70 Stat. 188; 7 U.S.C. 1801 et seq.), is amended as follows:

ADMINISTRATIVE AND JUDICIAL REMEDY

(1) The first sentence of section 107(d) of such Act (7 U.S.C. 1831(d)) is amended by adding after the words "paragraph (6) of subsection (a)" the phrase "or under section 102(b) of the Cropland Adjustment Act of 1961".

EFFECT ON OTHER PROGRAMS

(2) Section 112 of such Act (7 U.S.C. 1836) is amended by adding after the words "under this subtitle" each time it appears therein the phrase "or under title I of the Cropland Adjustment Act of 1961".

EMERGENCY FEED GRAIN PROGRAM

GEOGRAPHIC APPLICABILITY

(3) Section 113 of such Act (7 U.S.C. 1837) is amended by adding after the words "subtitle B" the phrase "and title I of the Cropland Adjustment Act of 1961".

REAPPORTIONMENT PROHIBITED

(4) Section 115 of such Act (7 U.S.C. 1803) is amended by adding after the words "conservation reserve programs" the phrase "or the cropland adjustment program established pursuant to title I of the Cropland Adjustment Act of 1961".

UTILIZATION OF LOCAL AND STATE COMMITTEES

(5) Section 117 of such Act (7 U.S.C. 1805) is amended by adding after the words "this title" the phrase "or title I of the Cropland Adjustment Act of 1961".

UTILIZATION OF OTHER AGENCIES

(6) Section 118 of such Act (7 U.S.C. 1806) is amended by adding after the words "this title" the phrase "or title I of the Cropland Adjustment Act of 1961".

UTILIZATION OF LAND USE CAPABILITY DATA

(7) Section 119 of such Act (7 U.S.C. 1807) is amended by adding after the words "this title" the phrase "or title I of the Cropland Adjustment Act of 1961".

FINALITY OF DETERMINATION

(8) Section 121 of such Act (7 U.S.C. 1809) is amended by adding after the words "this title" the phrase "or under title I of the Cropland Adjustment Act of 1961".

PROTECTION OF TENANTS AND SHARECROPPERS

(9) Section 122 of such Act (7 U.S.C. 1810) is amended by adding after the words "this title" the phrase "or under title I of the Cropland Adjustment Act of 1961".

PENALTY FOR GRAZING OR HARVESTING

(10) Section 123 of such Act (7 U.S.C. 1811) is amended by adding after the words "section 103 or 107" the phrase "or under title I of the Cropland Adjustment Act of 1961".

POOLING OF CROPLAND ADJUSTMENT LAND

(11) Section 126 of such Act (7 U.S.C. 1814) is amended by adding after the words "conservation reserve program" the phrase "or in the cropland adjustment program established pursuant to title I of the Cropland Adjustment Act of 1961".

INCORRECT INFORMATION FURNISHED BY THE GOVERNMENT—MARRIAGE OF PRODUCERS

(12) Section 128 of such Act (7 U.S.C. 1816) is amended by adding after the words "conservation reserve program" the phrase "or the cropland adjustment program established pursuant to title I of the Cropland Adjustment Act of 1961".

AUTHORIZED PERIOD OF CONTRACT AND EXPENDITURE—APPROPRIATIONS

SEC. 104. (a) the Secretary is authorized to formulate and announce programs under this title and to enter into contracts thereunder with producers during the three-year period 1962-1964 to be carried out during the period ending not later than December 31, 1973, except that contracts for establishment of tree cover may continue until December 31, 1978.

(b) The period covered by any contract shall not exceed ten years except that contracts for the establishment of tree cover may extend for fifteen years.

(c) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this title, including such amounts as may be required to reimburse the Commodity Credit Corporation for its actual costs incurred under the payment-in-kind program established by this title.

TERMINATION AND MODIFICATION OF CONTRACTS

SEC. 105. The Secretary may terminate any contract with a producer by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest. The Secretary may agree to such modification of contracts previously entered into as he may determine to be desirable to carry out the purposes of this title and to facilitate the practical administration of the cropland adjustment program.

REGULATIONS

SEC. 106. The Secretary shall prescribe such regulations as he determines necessary to carry out the provisions of this title.

TITLE II—REPEAL OF ACREAGE ALLOTMENTS AND MARKETING QUOTAS ON WHEAT—PRICE SUPPORTS ON WHEAT, CORN, OATS, RYE, BARLEY, AND GRAIN SORGHUM

REPEAL OF ACREAGE ALLOTMENTS AND MARKETING QUOTAS ON WHEAT

SEC. 201. The Agricultural Adjustment Act of 1938, as amended (52 Stat. 31; 7 U.S.C. 1281 et seq.), is amended by adding the following new section after section 338:

"SEC. 339. Notwithstanding any other provision of law, acreage allotments and marketing quotas shall not be established for the 1962 and subsequent crops of wheat."

PRICE SUPPORT ON OATS, RYE, BARLEY, AND GRAIN SORGHUM

SEC. 202. Section 105(b) of the Agricultural Act of 1949, as amended (7 U.S.C. 1441 note), is hereby repealed.

PRICE SUPPORT ON WHEAT, OATS, RYE, BARLEY, AND GRAIN SORGHUM

SEC. 203. Title I of the Agricultural Act of 1949, as amended, is further amended by adding at the end thereof the following new section:

"SEC. 107. Notwithstanding sections 101 and 301 of this Act, the level of price support for the 1962 and subsequent crops of wheat, oats, rye, barley, and grain sorghum shall be based on the support level for corn for the same crop year, with reasonable adjustments, as determined by the Secretary, for differences in weight, nutritive value, and buyer preference, with the objective of restoring the pricing of such commodities to market conditions as rapidly as possible: *Provided*, That the support price for wheat of the 1962 crop shall not be less than 120 per centum of the support price for corn of the 1962 crop."

TITLE III—GENERAL PROVISIONS

FEDERAL IRRIGATION, DRAINAGE, AND FLOOD CONTROL PROJECTS

SEC. 301. Section 211 of the Agricultural Act of 1956, as amended (7 U.S.C. 1860), as amended (1) by striking "three years" each time it appears therein and inserting in lieu thereof "nine years", and (2) by adding after the words "soil-bank provisions of this act" in subsection (b) the phrase "and under title I of the Cropland Adjustment Act of 1961".

RESTRICTIONS ON SALES BY THE COMMODITY CREDIT CORPORATION

SEC. 302. Section 407 of the Agricultural Act of 1949, as amended (7 U.S.C. 1427), is amended by adding at the end of the third sentence the following:

"*Provided further*, That, effective July 1, 1962, and until Commodity Credit Corporation stocks of wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flax have reached a normal level as defined by law, the Corporation shall not make any net sales of such commodities for domestic use at less than 125 per centum of the current support price for such commodities, plus reasonable carrying charges."

PURPOSE AND EXPLANATION OF THE PROPOSED CROPLAND ADJUSTMENT ACT OF 1961

PURPOSE OF THE BILL

The purpose of the bill is to bring the supplies of wheat and other grains in line with current demand so that the surplus of these commodities can be reduced; farm prices and per family income increased; and the tax cost of farm programs decreased.

EXPLANATION OF THE BILL

(1) The Secretary of Agriculture shall determine annually the overall acreage adjustment of feed grains, wheat, soybeans, and flax necessary to bring the total estimated annual production plus the anticipated release from Commodity Credit Corporation stocks in line with anticipated disappearance. The Secretary shall also establish annually the percentage of cropland which must be placed under contract to qualify for price support on these commodities.

(2) To be eligible for price supports on wheat, feed grains, soybeans, and flax, producers must participate in the cropland adjustment program. Cropland already in a retirement program shall be counted in determining compliance with this requirement. Producers of other commodities may also participate. (Whole farm participation should be encouraged.) Any cropland retired under the program in excess of the minimum requirement for price support must be placed under contract for at least 3 years.

(3) Cropland adjustment payments shall be made at a level which will encourage sufficient voluntary participation to attain the desired adjustment.

(4) Adjustment payments may be made in cash or in kind. Emphasis should be placed on payment in kind, with care to minimize disturbance of the market price structure for grain.

(5) Cropland retired under this program must be in addition to land normally left idle or fallowed.

(6) Acreage retired under the program may not be harvested or grazed.

(7) A maximum limit shall be placed on the percentage of cropland acreage that may be retired in any county after allowing for the minimum acreage required for price support. Acreage retired under previous programs shall not prevent participation in the annual adjustment programs.

(8) Wheat acreage allotments shall be terminated.

(9) The price support level on corn shall be left unchanged and related to the average price received by farmers during the immediately preceding 3 years with a floor of 65 percent of parity, the same as the Agricultural Act of 1958. The support levels for other feed grains and wheat shall be comparable to the level for corn with adjustments for differences in weight, nutritive value, buyer preference, and supply-demand conditions. The support price for wheat of the 1962 crop shall not be less than 120 percent of the support price for corn of the 1962 crop.

(10) Adequate measures shall be taken to protect farmers from the competition of the Commodity Credit Corporation sales from accumulated stocks.

The cropland adjustment program outlined above proposes to remove a basic cause of continuing low farm income by starting an immediate reduction of the agricultural productive plant to a size which will better fit farm output to market needs and open the way to orderly liquidation of accumulated Government stocks. It provides for voluntary participation by producers of all crops but requires producers who wish to qualify for price support on wheat, feed grains, soybeans, and flax to participate. Greatest emphasis is placed on the retirement of land from wheat and feed grains as these crops are in most serious surplus difficulty.

The attached table shows approximate cropland acreage nationally, how the acreage is currently being used, and what the status of land devoted to specified crops would be under the proposed adjustment program.

*U.S. cropland acreage grouped by principal uses***Group A: To be supported (without acreage controls) ¹**

(Producers of these commodities desiring price support must participate in the proposed cropland adjustment program.)

	<i>Planted acreage (thousands)</i>
Corn (all)-----	82,906
Wheat (all ²)-----	55,633
Oats, barley, rye-----	52,177
Sorghum (for grain)-----	15,444
Soybeans (for beans)-----	23,516
Flax (all)-----	3,527
Subtotal, group A-----	233,203

Group B: To be supported (with acreage controls) ¹:

(Participation in the proposed cropland adjustment program is not required for price support on these commodities.)

Cotton-----	16,068
Rice-----	1,614
Peanuts-----	1,579
Tobacco-----	1,141

Subtotal—Group B----- 20,405

Group C: Other crops and uses ³

Conservation reserve-----	⁴ 28,432
Hay, cropland pasture, other crops, fallow, idle, failure, etc-----	177,609

Total cropland, all uses ³----- 459,649¹ Planted acreage for 1960 as reported by USDA.² Currently supported and controlled, but controls to be terminated under Farm Bureau proposals.³ 1954 U.S. Census of Agriculture—data now used by USDA in land retirement computations. New census data to be available in about 6 months.⁴ Under contract in 1960.

Under the proposed bill all land listed in the table under groups A, B, and C—except for an amount in group C equal to that which is customarily summer fallowed or left idle—would be eligible for the land retirement program on a voluntary basis.

Mr. SHUMAN. I had an opportunity in the last few days to sound out farmer opinion in several parts of the country by actual contact. Practically all of the farmers that I have talked to agree that this is a pig-in-the-poke kind of legislation. It provides blank checks to the Secretary. It leaves many unanswered problems. It will reduce, not increase, farm income. It will seriously endanger our livestock, poultry, and dairy farmers' markets and their income.

The taxpayers' cost will not be hundreds of millions but billions of dollars. It does not approach the really serious problems in agriculture. It is compulsory, not voluntary. It is the kind of a pipe-dream that some college professor could have dreamed up, especially if he was radically opposed to the market price system. It is not the kind of a thing that a farmer with dirt on his shoes would conceive of.

Our bill, on the other hand, is workable. It will increase farm income. It will move toward a return to the market price system rather than depend upon Government price fixing and drastic controls.

I appreciate the opportunity, Mr. Chairman. I will be glad to answer any questions.

Mr. POAGE. Chairman Cooley wants to ask a question.

Mr. COOLEY. Mr. Shuman, I do not see how you could have discussed this proposal very generally throughout the country.

It was only released about 5 days ago, and the bill was introduced here about 3 days ago.

Mr. POAGE. Right.

Mr. SHUMAN. Mr. Chairman, I did not say that I had discussed it generally. I had had an opportunity to discuss it with a rather sizable number of farmers in different parts of the country.

Mr. COOLEY. You talk like you talked to somebody with dirt on their feet or, something.

Mr. SHUMAN. I have.

Mr. COOLEY. You have denounced this proposal and, as the head of the American Farm Bureau Federation, what do you propose in lieu thereof?

Mr. SHUMAN. We have a bill that has been introduced and we are submitting herewith copies of that bill.

Mr. COOLEY. To go into effect in 1962?

Mr. SHUMAN. Yes, sir.

Mr. COOLEY. What I am talking about is: We are faced with a bad situation right now. If we are to believe these figures that the Secretary presented to the committee, if we do nothing, it is going to cost \$1.5 billion.

Now, he has proposed to do something about it. This committee has some responsibility, and you, as a leader of a great farm organization, have some responsibility. It does not seem to me that either one of us would be discharging our responsibilities just to denounce something that has been proposed, after a study has been made, based upon the findings of the study group.

Now, you denounce it and come here and say, "Let us get ready for 1962." But you propose nothing for 1961.

You know that we could not possibly put through general legislation dealing with wheat and corn and feed grains all in the next 30 days.

Now, if we are going to do anything in 1961, we must do it in the next 30 days, and this seems to me to be the last and the only hope. But you have just denounced it categorically as some sort of a pipe-dream by a college professor.

Everybody knows whom you are talking about. You are directing your remarks, of course, to Mr. Cochrane. I am not going to ask you who prepared yours. I do not care whether it was a college professor or a man with dirt on his feet. You come here now to knock down this thing, and not to help this committee get ready for 1961.

If you have a proposal for 1961, that is what I would like to hear you talk about. But to say something about a general bill that is applicable only to 1962 is not relieving the situation at all, you know it is going to deteriorate and the problem will be aggravated with the harvest of this next crop. Now, here is a voluntary program.

If we have been trying to shackle the farmers of America by some sort of controls, quotas, I could easily see how you might complain. But why would you complain about offering a program to the farmers and letting them say whether they want it or do not want it?

Mr. SHUMAN. Mr. Cooley, the proposal is not voluntary. It is compulsory because it gives the Secretary unlimited powers and he has indicated in several instances that he intends to use them to force farmers to comply, so it is a compulsory program.

Mr. COOLEY. How can he force them to comply with a program that is completely voluntary?

Mr. SHUMAN. By driving the market price down, he can force every farmer who produces feed grain to comply.

Mr. COOLEY. Well, he still has this \$9.5 billion worth of commodities in storage; he could beat the prices down now, if he wanted to.

Mr. SHUMAN. No; not under the present legislation. It is not permitted to sell these below certain levels.

Mr. COOLEY. The same situation would be true, if we pass this bill.

Mr. SHUMAN. No, no.

This provides certain very important exceptions where he can sell enough of the supplies to finance the payment-in-kind and also—well, there is enough exception in here to provide him all the leeway he needs to force prices down.

Mr. COOLEY. Why do you not propose an amendment to prevent that, rather than just knocking down the whole proposition?

Mr. SHUMAN. Let me address the answer to the most important part of your question, which was:

Why do we not do something now?

Well, now we have had experience with the Congress, and we know that it takes time, as you indicated, to draft and to secure adoption of legislation.

It takes time, after it is adopted, to get it into operation.

It is already too late to do anything about the feed grain situation for 1961, and it would be a tremendous mistake if we make it worse instead of better, and that is just exactly what this legislation will do.

It will make it worse. These are forces in operation, and I disagree entirely with your statement that the situation in feed grains will get worse this year.

With the present market price for soybeans, there is not going to be the pressure on feed grain production that there is going to be on soybean production. The situation has a very good chance, as far as feed grains, to get better.

The real problem, and the one that is not going to get better, is wheat, with the price incentive that is provided there.

And so we think that the only sound way to approach the solution to this problem is to try to get legislation, which it is already late to get even for wheat.

We need to get this legislation passed by this Congress. And the two fit together because about 30 percent or more of the wheat, and probably a far greater percentage of that in storage is feed grain.

Mr. COOLEY. I do not argue that point with you because I am inclined to agree with you, and I would like very much to deal with wheat and corn and feed grains at the same time, if possible; but it does not seem to me it is possible within the limited time in which we are working to do anything in 1961.

In other words, if I understand it, we are now faced with a situation that you think is going to get better, the Secretary thinks is going to get worse, and you have nothing to propose for 1961.

You are unwilling to take the Secretary's proposals or let us try to perfect those.

If you think there are some dangerous provisions in this, why could this committee not consider your suggestions to improve those provisions?

If we need some safeguards, let us have those.

Mr. SHUMAN. We would be very happy that the committee take our suggestions and put them alongside, and where there are areas of agreement, incorporate them.

We would just as well approach the solution to this whole package of feed grains at one time, and that includes wheat.

Mr. COOLEY. I understand, but you know the problems we have had in dealing with wheat. We have a Wheat Subcommittee which has worked faithfully and diligently on wheat. We sent one bill to the White House which was vetoed.

We considered about every proposal which has been submitted or can be conceived of, and you know that if we started on wheat now, we might as well throw up our hands trying to do anything for corn and feed grains.

Mr. SHUMAN. No. I do not accept this, because I think that there is an excellent chance, if we can pull the two together, that the Congress can find a satisfactory approach, and I think it is a far better opportunity to find a satisfactory approach if we bring them together than if it is separately, and I am convinced that this can be done.

Mr. COOLEY. You might be right, if we took the rest of the session to do something, and that is what this committee proposes to do—to try to do something about wheat.

I think it is the greatest problem we have; I agree with you. But you also have a problem in this area that we are talking about now, and how could you expect to get your bill through here, if nobody else supports it but you?

Mr. SHUMAN. I think there will be plenty of folks support it when they understand the difference between what is proposed here and what we propose, and I am not a bit afraid of the Congress, when they study it, coming up with the sound answer.

Mr. COOLEY. Your bill is so far more comprehensive than this one. This deals with one area of agriculture.

Mr. SHUMAN. Our bill is comprehensive, but not complicated. This is complicated and extremely dangerous. This will manipulate prices.

It is the first time that the Department of Agriculture, as far as I can find, has ever been given the authority to move into the grain trade to manipulate prices and Members of Congress several times have indicated to me they did not think anybody, including Members of Congress, were smart enough to buck the grain trade in this business of trying to get a corner on the market of grain.

That is exactly what this puts the Department of Agriculture in position to do.

Mr. COOLEY. If you could work out some language that the committee might consider to prevent the manipulation of the market which you are afraid of—

Mr. SHUMAN. We have this in our bill that has enough points of similarity in the agreement that we need to retire cropland acres that I do not think that it is impossible at all to move rather rapidly toward solution of both the feed grain and the wheat problem.

Mr. COOLEY. My recollection in going over your proposal and that of Mr. Lynn and others is that, it too, is a voluntary program, is it not?

Mr. SHUMAN. Yes; it is voluntary.

Mr. COOLEY. And it contemplates the retirement of acreage?

Mr. SHUMAN. Yes; cropland.

Mr. COOLEY. Does it not have an incentive payment?

Mr. SHUMAN. Yes; we have—

Mr. COOLEY. Payment in kind?

Mr. SHUMAN. We have a provision for payment in kind for cash payments. To this extent, these two proposals have a lot of similarity. That is why I say they can be—

Mr. COOLEY. That is the reason it surprises me when you denounce the whole proposal, because I remember you have voluntary retirement acreage and payment in kind and the whole thing is supposed to be worked on a voluntary basis just like the bill which has been proposed here.

Now, if you could give us some safeguards to put into this bill dealing now only with corn, I can assure you and your organization members that this committee intends to tackle the problem of wheat.

Mr. SHUMAN. Well, we would be very glad to cooperate with the committee in suggesting what sections of the present proposal to delete and what sections of ours to put in. For instance, here is one that is very important to farmers. Under the administration proposal, there is a ceiling on the price which farmers can get for their corn or feed grain, definitely a ceiling, because they are going to manipulate the market price down, and they are going to get \$1.20 and not 1 cent more.

Now, the whole concept of agricultural legislation, price-support legislation, since the act of 1938, has been to provide a floor beyond which the price can move upward, if it was justified in market conditions.

Now, we propose in our legislation that the trip point, instead of being at the discretion of the Secretary, to beat prices down to force compliance would be 125 percent of parity, of price support, I beg your pardon.

Mr. COOLEY. Would you accept Mr. Hoeven's suggestion that we strike out the figures and put in some discretionary authority?

Mr. SHUMAN. Not on price supports. We have never believed in discretion on price supports.

Mr. COOLEY. You just want 90 percent of the average price in the last 3 years?

Mr. SHUMAN. And 65 percent as the present act provides.

Mr. COOLEY. You want that and you will not take anything else?

Mr. SHUMAN. Oh, this is not our attitude at any time. We are for what we are for, and we will work as hard as we can.

Mr. COOLEY. Mr. Hoeven made a suggestion that we strike out this figure. You do not like the figure. He said let us strike it out and give some discretion to somebody and you do not like that?

Mr. SHUMAN. No.

Our policies are very strongly against giving price support decision discretion on these basic crops to—we think the Congress is the only place to resolve these battles.

Mr. COOLEY. Even for a few months in an emergency like we have?

Mr. SHUMAN. That is correct. There is not a real drastic emergency, as far as feed grains. The real emergency is wheat.

Mr. COOLEY. What is corn selling for now; about 75 cents a bushel in some places; is it not?

Mr. SHUMAN. I do not know of any place in the United States you can buy a bushel of good quality corn for 75 cents.

Mr. COOLEY. Somebody told me that this week it sold for 75 cents a bushel.

Mr. SHUMAN. It must have been out of condition.

Mr. COOLEY. What is it bringing out your way, 85?

Mr. SHUMAN. Oh, it is in the neighborhood of \$1 a bushel for good quality corn.

Mr. COOLEY. Do you think farmers can make a living on that?

Mr. SHUMAN. Many of them are doing very well.

Mr. COOLEY. In other words, you are satisfied with the price that the farmers are getting for corn?

Mr. SHUMAN. No; of course not.

As a farmer, I am always wanting more. I am not satisfied with the price, and I think that under the proposal that we make the price support of corn would go up and average higher than it is now.

But the present situation, with the guarantee—and the guarantee feature of these programs is what is creating some of the pressure for increased production. It is not because the price support is too high. It is because it is assured, and it takes out one of the variables.

Mr. COOLEY. And you will not go for marketing quotas or acreage allotments on anything, corn or feed grains?

Mr. SHUMAN. Not on corn.

Mr. COOLEY. On wheat?

Mr. SHUMAN. We are for continuation of the allotment or the quota program on tobacco. We are opposed to the use of allotments for wheat because they have not worked.

Mr. COOLEY. I am not going to keep you, Mr. Chairman, but 1 more minute.

On tobacco, you mentioned it. It is the only commodity that has a fixed, firm floor provided by act of Congress, and it is the best working program we have had, or ever will have.

Mr. SHUMAN. Well, it is one of the few commodities in American agriculture that cannot be substituted for, and that is the reason.

Mr. COOLEY. Peanuts; we have got it pretty well on peanuts.

Mr. SHUMAN. I do not think you had better look at the history of peanut production in the United States. You will find that it is not a very happy situation.

Now, tobacco cannot be substituted for. It is the kind of a crop that can be subjected to quota.

Mr. COOLEY. That is all I have, Mr. Chairman.

Mr. POAGE. Thank you, Mr. Chairman.

Are there further questions?

Mr. Jennings?

Mr. JENNINGS. As I understand it, you prefer the present program to the one that has been proposed in this bill?

Mr. SHUMAN. For 1961, but we are not happy to continue it.

Mr. JENNINGS. For 1961, you prefer the present program?

Mr. SHUMAN. That is right.

Mr. JENNINGS. Of buildups?

Mr. SHUMAN. That is right.

Mr. POAGE. Are there any further questions?

Mr. Hoeven?

Mr. HOEVEN. Mr. Shuman, I do not want to be repetitious, but let me get your opinion about giving the Secretary discretionary authority to fix the support price of corn.

I doubt the advisability of pegging corn at a certain price, and I am just wondering, when the chips are down, which method you prefer: pegging the price or giving the Secretary discretionary authority?

Mr. SHUMAN. Well, we would propose leaving the Act of 1938 the way it is, which does not peg the price, if we make the adjustment.

We are proposing a crop adjustment program which will not permit farmers to shift around as this proposal does. This is one of the tremendous weaknesses in this proposal. There is nothing in here to keep farmers from bringing in new land or land which has been in hay or grass to increase their feed production or increase their soybean production, and our proposal is to reduce the percentage of cropland.

We think this would cut down on the production and provide an opportunity for prices to move up.

Mr. HOEVEN. I again want to express my concern about dumping Commodity Credit corn on the market, and I concur with you fully. I think it is a dangerous procedure.

Mr. Shuman, what would be your opinion as to the release of CCC corn at not less than the support level—now, 105 percent of parity?

Mr. SHUMAN. This, of course, is one of the areas where we depart very radically from the administration proposal which is to use Commodity Credit stocks to decrease prices.

Our proposal says that we should increase the point at which they can be sold to 125 percent of the price support. We are for increased prices to farmers, understand that. We are not for decrease in prices, and this administration bill is a price-decreasing type of operation.

It goes into the grain markets and makes the Commodity Credit a manipulator on the grain market, and you cannot win with these boys on this score.

Mr. HOEVEN. I am in accord with your views. If corn is released at the market price, the average corn farmer is going to put all his corn into Commodity Credit, he then is going out to buy cheap corn, which he will put into livestock and the net result will be cheap cattle and hogs.

Mr. SHUMAN. This bill, Congressman, would make it necessary for every corn feed grain producer to deliver his feed grain to the Government, and then turn around—there would be a transportation charge and cost of delivering it to the Government.

Then he would have to turn around and buy back his feed requirements.

This would put practically 100 percent of the feed grain through Government channels, and the cost of this operation to farmers has not even been figured in here.

Mr. HARVEY. Is there not a very great danger that in enacting an emergency bill, which we are all agreed that this administration proposal is, and knowing the usual propensity of Congress, that it would finally develop into a permanent program by the simple expedient of continuing extensions?

Mr. SHUMAN. I am a little amused at the idea that this would be temporary. Once this philosophy of using Commodity Credit stocks to depress prices to force farmers to come into a controlled and price-fixed concept is in operation, it will never be relinquished.

It is a permanent proposal; that is what it is; and do not let anyone kid you. This is a permanent proposal, and it is right down the line of the thinking of those who want to get all of agriculture under a price-fixing and control scheme.

It is not designed to move us out. It is designed to move all of agriculture. They want to get their hands on the livestock production in this country.

Mr. HARVEY. Thank you.

Mr. POAGE. Are there any further questions?

If not—

Mr. COAD. Yes, I would like to ask Mr. Shuman how he can prove this statement. I think he has made a very serious accusation here, or indictment.

Mr. POAGE. That is his opinion.

Mr. SHUMAN. We are here to express opinions. It is my opinion, but I think I can give reasonable proof of it by reading the well-documented history of those who want to control.

Our experience is ample proof, to me. We have had experience. Every time you move toward a control, when it fails, the folks who propose the control do not want to abandon the control. They move to greater controls. And so the act of 1961, as proposed here, would just be the entering wedge.

Mr. COAD. Well, that is strictly an opinion.

Mr. SHUMAN. Sure. But I think it is a well backed-up opinion by experience.

Mr. COAD. There are differences of opinion.

Mr. SHUMAN. Sure. In fact, this whole exercise is opinion because this proposal is such a departure from anything that we have had experience with that it is in the field of conjecture.

Mr. POAGE. We are very much obliged to you, Mr. Shuman.

Mr. SHUMAN. Thank you.

Mr. COOLEY. Mr. Chairman, will you just indulge me for one question. I apologize, but this is a very important point.

You indicate that under this legislation that the Secretary could flood the market with cheap feed and manipulate the market, and yet we are using corn, 104 percent of our production. In other words, 4 percent above the subsidy.

Mr. SHUMAN. Yes.

Mr. COOLEY. Four percent above consumption.

Mr. SHUMAN. Yes.

Mr. COOLEY. Now, even if you get small participation in this program, and if we reduced it down to, say, 99 percent, then there would not be any inflow of corn into Government hands. It would be flowing out of Government hands into the market and the farmer would sell it at the market price.

Mr. SHUMAN. In the first place, under this proposal—it is based again on experience—it is my opinion that there will be little, if any, reduction in production of corn and feed grains.

The incentive by increased price is so great, and the opportunity to bring in additional land to substitute for hay and other crops which presumably—and the fertilizer, the incentive put on fertilizer.

We are only using about 30 percent of the amount of fertilizer we could use on corn, and under this program we will put on 70 or 80 percent of the amount that would be possible, and, of course, we are provided with ample payments to buy that fertilizer.

Under this proposal the payments for the retired acres are plenty to buy adequate amounts of fertilizer.

Mr. COOLEY. In other words, you just do not think a voluntary program will work?

Mr. SHUMAN. No, I believe a voluntary program will work, but this is a program of forced device to force prices down and force farmers—about 80 percent, maybe 75 percent, of the corn and feed grains is used in the area where produced.

Now, how can anyone justify a program of this kind, which is forcing farmers to haul that 80—75 or 80—percent to market, and then turn around and buy it back? And can the Congress defend to the taxpayers of this country a program which says to the farmer:

“You sell the grain and we will sell it back to you cheaper”?

That is, in effect, what this does.

Mr. COOLEY. I do not understand it that way. I will not go on any further.

Mr. POAGE. Mr. Chairman, may I just attempt to answer Mr. Shuman on that.

I think it is right clear that the program we have been living under has been piling up surpluses in spite of the fact that in 1958, I believe, Mr. McLain did not think that it would, and I believe if I read the record correctly, that you owe me a supper, Mr. McLain, for I believe you offered to buy it for me if we continued to pile up corn under this program which we adopted at your request in 1958. But we have certainly been piling up surpluses since that time with these low supports.

Now, then, we are told:

“Why, let us take more of the same medicine and do the same sort of thing.”

And he asks now:

“Why should anybody be so silly as to adopt a program that is going to have the Government take in this corn and then have somebody take it out and store the same amount?”

One reason is that we have to rotate those stocks and why should we not just as well take in this year's crop and pull out last year's crop, as to let last year's crop stay there and spoil on your lands as we have been doing, and then sell it to you—I do not mean Charley Shuman, but I mean to any of us—to sell it to farmers for a great deal less than the support price?

Why should we not try to keep good corn in storage, instead of having the tremendous losses which we have been having of spoilage? Why should we not keep that corn in condition?

And the only way you could do that is put in new stocks and take out your old.

If this creates an orderly method of taking out the old grain and using it, and holding the new grain for a year, while it remains usable, it seems to me that it is a pretty smart idea.

Mr. SHUMAN. Mr. Chairman, the principle involved here is not defensible for two or three reasons.

Mr. POAGE. The practice is pretty defensible, though.

Mr. SHUMAN. No, no, it is not, because the delivery of the corn is not at the point where the stored corn has gone bad in most cases.

Where the corn is in heavy quantities is in these storage centers. The delivery point on this crop to the farmer is going to be the nearest elevator point.

Mr. POAGE. But ultimately that stuff in storage has got to go back to that nearest elevator point to be used. That corn which is now in storage has got to go back on to the farms to be used, and is moving back right today but as "out of condition."

I would rather move it in condition than to move it out of condition.

It is a question of whether you want to keep your corn in condition or whether you want to keep it in storage long enough that you can buy it at a discount price.

I know there are vested interests that want to buy this corn at discount prices, and I know there are people right in this room who want this corn to go out of condition just enough so that they can buy it for a good deal less than the support price on it.

Of course, there is lots of support for that sort of thing, but, to my mind, that is just about as foolish as anything that you have suggested that we might support.

Mr. SHUMAN. Well, talk about vested interest, the principle of this thing is what you are going to have to defend, and I do not think any Member of Congress, and certainly no officer of any farm organization, can defend the principle before the consuming public, before the taxpayers, and before other farmers, the principle of paying 70 or 80 percent of the farmers a certain price, taking that corn and feed grain, and then letting them go back to the Government and buy a comparable quantity to feed at a much lower price.

This principle cannot be defended.

Mr. POAGE. Except that under the bill we are operating under, which you supported and which you now tell us is much better than this legislation, we are doing that sort of thing.

We are selling it as corn out of condition.

We are moving corn into storage and at the same time moving other corn out. We are doing that every day of the week. We are losing vast sums of money doing it, but we are covering it up and the public does not know what we are doing.

Of course, we could go right along and support this sort of thing because there is not a paper around there that is telling us how much of this corn is being sold "out of condition."

There is not one of them telling us what this present program is doing to us.

But we are coming out here with a program that is honest and that, on its face, tells what we are going to do. We are not trying to cover it up. We are trying to tell you in advance what we are going to do.

Mr. SHUMAN. Mr. Chairman, the principle of this is absolutely indefensible.

Now, I will admit that a few people have taken advantage of the past programs, but a very small percentage of the livestock people have sealed their corn and turned around and bought it back at a cheaper price.

I do not think over 5 percent of the livestock people have done this.

Now, this would make it almost mandatory for 100 percent of the livestock people to turn their corn production and their feed grain production over to the Government, and turn around and buy it back at a lower price.

And, in effect, they would get the same corn back. They would not get the off-condition corn because it would be too expensive to move this corn from the point of origin into a storage point and move the other back.

The only sensible way would be, as he delivered it to the elevator, to sign his slip and later turn right around and haul it back. That is the way it would work in practice. This is absolutely an indefensible principle.

Now, we are trying to be helpful, I think, to the administration and to the Congress to point out where you are going to be in trouble, and this is one that you cannot defend.

Mr. COAD. Mr. Chairman, I think that there is a fallacy in this kind of reasoning because you cannot have 100 percent, if your cattle feeders are sealing all of their grain, which is, admittedly, 80 percent of what is raised, and buying on the open market, because the statistics just would not allow that.

It is just not possible.

They have got to feed and utilize a part of what they have raised, because there is not going to be that much other available.

Mr. SHUMAN. I do not understand your reasoning, Congressman, because it is entirely possible——

Mr. COAD. Eighty percent of a year's supply is not in surplus, that is why.

So what you say is incorrect.

Mr. SHUMAN. Oh, they can move it in and move it out. I do not think you quite see the operation.

Mr. COAD. I think I understand it rather thoroughly.

Mr. SHUMAN. They would buy 100 percent of their needs for feeding, and they would sell 100 percent of their production to the Government under this proposal.

Mr. COAD. There is not an 80 percent supply that is available outside of this year's crop.

Mr. SHUMAN. Oh, yes; there would be.

Mr. COAD. Where is it?

Mr. SHUMAN. Take it in and take it back.

Mr. COAD. They cannot take it in and take it back.

Mr. SHUMAN. Why not?

Mr. COAD. Because they are not going to be able to buy the 1961 crop at this reduced price; that is why. It would be under seal.

Mr. SHUMAN. Nothing in here prevents them from buying it at reduced price. In fact, there is everything to indicate it will be.

Mr. COAD. If it is under seal, they would not buy it from the Government at a reduced price when it is under seal, and it has not been turned over to the Government on a loan. It is not going to be foreclosed on a loan.

Mr. SHUMAN. Oh, yes; the Government could do anything under this proposal that they wanted to and I think the sensible thing for them to do would be, when the feeder came to the elevator with his load of corn, to give him some kind of a demit that lets him turn around and haul it back.

Mr. COAD. The basic difference is that I have some faith in the Secretary of Agriculture and you do not.

Mr. SHUMAN. Oh, yes, I do. Yes, I do. I have not made any derogatory statement to the Secretary of Agriculture whatsoever.

Mr. COAD. I did not say you made a derogatory statement.

Mr. SHUMAN. I have faith in him. He is a very fine gentleman and a very conscientious man and I am going to defend him when he is right and attack him when he is wrong, to the best of my ability.

Mr. COAD. I think he is right in this and this is another variance of opinion.

Thank you, Mr. Chairman.

Mr. POAGE. Any further questions?

If not, we are very much obliged to you, Mr. Shuman. Thank you.

Mr. SHUMAN. Thank you.

Mr. POAGE. Now, it is possible that we may be able to move along here.

Mr. Fred Heinkel of the Missouri Farmers Association. We will be delighted to hear from you, Mr. Heinkel.

STATEMENT OF FRED HEINKEL, MISSOURI FARMERS ASSOCIATION

Mr. HEINKEL. Mr. Chairman and members of the committee, my name is Fred Heinkel of Columbia, Mo. I am president of the Missouri Farmers Association, and I also happen to be Chairman of the Special Feed Grain Study Committee appointed by Secretary Freeman.

I do not have any prepared statement because I came here only a short time ago, not knowing that this hearing was being held and transportation is not too good, so I came by train.

I do not have a prepared statement, so I shall take very little of your time.

I want to say at the outset that when Governor Freeman was appointed Secretary, I wired him my congratulations and offered him my help if at any time he thought I could be of help.

He called and asked me to serve as a member of this Feed Grain Study Committee and to serve as Chairman of it.

We agreed upon a date for the holding of the meeting of the Committee, which was January 27. It gave the members of the Committee rather short notice, but in spite of that, and the fact that some of them had illness in the family and there was bad weather and transportation conditions, 14 members of the Committee were present.

We went into session on Friday morning, January 27, and came out with a report that we agreed upon unanimously by 10:30 Saturday morning, January 28.

In spite of the fact that you hear much talk to the effect that farmers are unable to agree, they did agree unanimously on the report.

I would just like to say that I have never worked with a group of men that were more conscientious and dedicated to the proposition of trying to do something constructive to solve, or start in the direction of a solution to, a bad situation.

Each member of the Committee was asked to express his opinions and give his views, and they did this. And coming from their separate places scattered all the way from deep down in Texas near Lubbock, and from as far north as North Dakota, as far west as Lamar, Colo., and as far east as Virginia, to a man, they felt that we should move in the direction of trying to increase farm prices and farm income.

They felt that we should move in the direction of trying to stop the pileup of feed grains, corn and other feed grains; that it would require a cutback in acreage to do that.

Those were their basic, fundamental beliefs.

They felt that it was necessary that a program for 1961 be a voluntary program; that it, in effect, therefore, is an emergency program.

They were very deep in their conviction, however, that we needed a program for 1961; that the farm situation is rather desperate, and I might say at this juncture that I heard no derogatory remarks in this committee of things in the past.

They were recognized where we are and we are talking constructively in terms of how do we go forward. But they felt that we should have a program for 1961.

So they agreed that we should increase price supports and that those price supports should be—and they were very firm in their convictions that price supports should be available only to those who participate in a program and agree to reduce their acreage.

They felt that those who do participate in the program, in addition to having price supports available, should be paid a cash payment to seed those acres into soil-conserving uses.

Those are the essentials and fundamentals of the program that we agreed upon. It was agreed upon unanimously. We think the bill that has been presented here and with the suggestions that the Secretary offered yesterday is a good step in the right direction and we are for it.

Mr. POAGE. You are for this voluntary bill?

Mr. HEINKEL. Yes, sir; certainly.

Mr. POAGE. And as a temporary bill?

Mr. HEINKEL. Right.

Mr. POAGE. And as one which will reduce cost to the Government?

Mr. HEINKEL. We took that, Mr. Chairman—we did considerable figuring on that, and we had some very competent men to assist us, such as Dr. Wilcox with the Library of Congress, in addition to Dr. Cochrane. All of the members of the committee were concerned about that factor, and we felt very firmly that it would reduce the cost to the Government.

Mr. POAGE. And you feel that it will add at least something to farmer incomes?

Mr. HEINKEL. Yes, sir; we do. We calculated on that and we are convinced that it would.

Mr. POAGE. It seems to me those are the things that we want in anybody's bill.

Mr. HEINKEL. That is what this committee felt—as I said, coming from all parts of the feed grain producing areas of the Nation—were important to be embodied in a bill at this time.

Mr. POAGE. Let me ask you about one other matter. We have got to work out a date. I think you are so right about the basic ideas.

As a matter of detail, what do you think—I am sure you must have thought otherwise, but what do you think now about the idea of taking the minor feed grains out of this 1-year bill?

Mr. HEINKEL. Yes; we rather agreed to take them out, certainly in all the major corn and milo producing areas of the country.

Mr. POAGE. You cannot very well pass a bill that is effective one way in Georgia and another way in Wisconsin can you?

Mr. HEINKEL. I appreciate that.

I think that would be rather difficult. I would be agreeable—and, again, I cannot speak for the committee on this, but as a member of the committee and the fellow who happened to be chairman, I would be agreeable—to doing that.

Mr. POAGE. You, of course, do not represent a very large grain sorghum area, but what would be your opinion of the suggestion that was made here yesterday that instead of using this very long and complicated formula, which nobody can exactly understand that we simply say that grain sorghum shall be supported at 95 percent of the value of corn—just fix the support price of grain sorghum at 95 percent of that of corn?

Mr. HEINKEL. I would think it would be agreeable.

Mr. POAGE. Would it not simplify the administration?

Mr. HEINKEL. Yes, sir.

Mr. POAGE. And make it more understandable to producers, too?

Mr. HEINKEL. And I think an emergency bill, as this is—and it is a rather hurry-up proposition—the more we can simplify it, the better.

Mr. POAGE. Thank you very much.

Yes, Mr. Quie?

Mr. QUIE. Was it the task force suggestion that section 3 be a part of the bill, allowing the Secretary to sell at less than the support level?

Mr. HEINKEL. We discussed that; yes.

Mr. QUIE. You know, prior to the amendment, at least, that was offered yesterday, it would ruin market prices as we know it now, but I still have some doubts about it.

Mr. HEINKEL. Well, I think the amendment that was added yesterday—the suggestion is a good one and ought to be incorporated.

We were less concerned about that feature of the bill than we were some of the others, because we have enough confidence in the people that are administering the program that I do not think they would use those stocks to destroy the market.

They seem to be of the opinion that they want to help and increase farm prices, rather than to destroy them or lower them.

Mr. QUIE. If the impression was known around the country that they want to help market prices, rather than destroy them, then the

action of section 3 as further inducement for farmers to comply with the program would no longer exist; is that right?

Mr. HEINKEL. No; I would not agree that that is the case.

After all, the Secretary, as you, I am sure, are aware, being a Member of the Congress, cannot raise the support price above 65 percent of parity at the present time, or 75 percent.

Mr. QUIE. We are not talking about the present program. We are talking about the new proposed program that goes into effect.

Then I understand the price support would be \$1.20.

Mr. HEINKEL. Right.

Mr. QUIE. The new amendment, if it goes into effect, also would allow him to sell all of CCC stocks for the present support level or \$1.05.

So my question is this:

Since the Secretary would do this in order to cause the farmers to look at the price that they could receive at the market price, and if they suspect that the Secretary would demoralize the market price, then they would be more likely to comply. But you say you have a lot of faith in the Secretary; that he will not try to demoralize the market price; he will try and bring it up.

Then the incentive no longer exists; does it?

Mr. HEINKEL. Well, I think the incentive is naturally built in the program in the form of an increased price support, and in these cash payments to convert his acreage to soil-conserving crops, and the fact that only the participant in the program would have the price supports available to him.

Mr. QUIE. I fully agree with you there. I introduced a bill that would do exactly the same thing as that. But there is one part of this bill that I have great fear of, which will change the present concept where we protect market prices from CCC stocks. The very fact that they are in stock demoralizes the market enough.

We changed the law so that in 1961, under the cotton program, the CCC stocks cannot go back on to the market for less than 115 percent of support level, plus reasonable carrying charges.

Now, we are changing that completely to an altogether new concept in the way the Secretary can handle the CCC stocks of corn.

Mr. HEINKEL. After all, I do represent 152,000 farmers in my State, and we are willing to go along with this bill with this assurance in there that they will not be sold at less than the present support level.

Mr. SHORT. Will the gentleman yield?

Mr. QUIE. Yes.

Mr. SHORT. Mr. Heinkel, there is one other aspect of this release of Commodity Credit stocks that, it seems to me, we have to give a great deal of consideration. Now, in the provisions of the bill, as I understand them, in the securing of cash to repay the farmer for this second 20 percent of his land that he is going to retire, the money to pay those farmers in cash for their land retirement must be secured by the sale of Commodity Credit stocks, and there is no provision in the law that says they must be sold for the present \$1.06 or \$1.20 or 90 percent of parity, or anything else.

It says they must be sold—period.

Now, does that not put the Secretary in the position of having to sell a certain amount of Commodity Credit grains to secure this money, regardless of what he receives for it on the market?

Mr. HEINKEL. Only if he runs out of cash, of course.

Mr. SHORT. But what other source of cash does he have?

Mr. HEINKEL. And if the Congress, if this committee feels that there ought to be some safeguards in there, I would certainly be agreeable to this same feature being added to the grain that must be disposed of to meet those payments-in-kind.

Mr. SHORT. Would that not be a self-defeating aspect of the bill, sir?

Would it not tie the Secretary's hands in his ability to secure the funds to pay these farmers that have retired this additional 20 percent of their land?

Mr. HEINKEL. Well, assuming that the corn price would not move up, it might; but I doubt that. I think this will have the effect of the corn price moving up, this \$1.20 support.

I think with the great livestock numbers that we have in this country, you are going to see farmers start building up a stockpile of corn and other feed grains. It is my judgment, for whatever it is worth, that we will see feed grain prices moving up.

Mr. SHORT. Did I understand you to say that you think the farmers will be encouraged to build up a stockpile of feed grains?

Mr. HEINKEL. I do not know as I said that they would be encouraged. I think, as reasonably good businessmen, they would do that.

Mr. SHORT. Would the better business practice not be to avail themselves of the presently proposed \$1.20 price? That would be something they would be sure of that would not be a completely imponderable projection as to what they were going to be able to get for this grain by feeding it to livestock.

It seems to me, being a farmer myself, I would be inclined to take advantage of the positive opportunity offered to me, rather than the wait-and-see approach.

Mr. HEINKEL. I am not talking about waiting and seeing. I am talking about acting now before waiting until this fall.

I am talking about the men that have huge livestock numbers and depend upon buying feed grains to feed that livestock. It is my opinion they will buy soon, if this program is enacted.

Mr. SHORT. I do not quite follow your reasoning, sir, but I would like to ask you just one more question, if I might.

You stated that this program emphasized the fact that this program was voluntary. Do you feel that the support and release provisions of the bill almost tend to make the program compulsory?

Mr. HEINKEL. No, I do not see it that way at all.

Mr. SHORT. Thank you, Mr. Chairman.

Mr. COAD. Mr. Chairman, one question.

You do agree on the amendment proposed by the Secretary that corn would not be sold at less than the present support price.

Now, it has been referred to that if he had complete authority to sell it at any price, that that would be an ace in the hole.

Do you feel that this amendment might just give him a jack in the hole; that it is limiting his power?

Mr. HEINKEL. Yes, it is.

Mr. COAD. Would you be opposed to a bill if this amendment were not enacted on it?

Mr. HEINKEL. Would I be opposed to it if—

Mr. COAD. Yes.

Mr. HEINKEL. No, I would not, for a 1-year emergency shot at it. I would not.

Mr. COAD. Thank you.

That is all, Mr. Chairman.

Mr. POAGE. Any further questions?

Mr. HAGEN. I would like to ask a question.

Mr. Heinkel, correct me if I am wrong. It is not contemplated by this legislation through the retirement payment provisions that there will be sufficient reduction in supply that a market price of \$1.20 a bushel at least would obtain for this feed corn?

Mr. HEINKEL. Yes, sir, that was the thinking.

Mr. HAGEN. That was the thinking.

Then why do you mess with the price support at all? Why do you not leave the price support where it is?

Mr. HEINKEL. Well, for the same reason that there are always unforeseeable things that enter into the picture, and why have we ever had a price support?

It is to give the farmer some assurance that here is something to which he can tie and to look forward to at the end of the season, and we feel that it ought to be in there.

Mr. HAGEN. Of course, you have got the sugar program where it regulates supply in relation to demand, and, of course, they use it to achieve a cheap price to the consumers, but they make up the farmer's income by payments.

This could well be of the same character for one year.

Mr. HEINKEL. Of course, this is a voluntary program, we must bear in mind.

Not all people—no one is compelled to participate in it.

And, being a voluntary program, we felt that people who were willing to cooperate and reduce their acreage should have the assurance of this price support.

Mr. HAGEN. One further question. Now, this amounts to a gratuity.

In other words, it is going to increase the income of the growers of those crops which are included, is that correct, sir? That is the intention of it?

Mr. HEINKEL. It is the intention, but, further, it is applied to these programs because they are the ones where the problems exist.

They are the ones where the huge surpluses are piled up that are costing the Government so much money in storage. That is why the committee felt they were the two that ought to be attacked.

Mr. HAGEN. I want to ask you another question.

Why do you blithely leave out the barley growers and oat growers who are equally deserving?

You said you would be willing to see them eliminated.

Mr. HEINKEL. We do not blithely leave them out.

Mr. HAGEN. You want them in there, in other words?

Mr. HEINKEL. If we can figure them in, if we do not make the bill too complicated,

We felt that the major producing areas like corn and milo, that they would simplify it for a 1-year emergency bill that they be left out.

Now, if there are other sections of the country where barley and oats are the principal crops, I would have no objection to it being in there, if it will not too complicate the administration of the law.

Mr. HAGEN. In California, we have people who grow barley exclusively, if they grow feed grains at all, and I am somewhat in the position of Senator Kerr.

He said:

"If Oklahoma ain't in it, I'm not for it."

Mr. HEINKEL. But let me remind you again that our problem is with corn and grain sorghums, and we felt that we could not write a bill of perfection in this short period of time and get it administered in the short period of time which we have before planting time.

It is right upon us now.

The farmers now in our State have already seeded their oats, some of them, so you cannot make it effective to them, and I know they have further south.

Mr. COAD. Mr. Chairman, I might point out that the Secretary has the discretion to set these price supports. It is not a matter that they are going to be left out. If we ignore those items in this bill, they will proceed just as they are now.

Mr. HEINKEL. Right.

Mr. HAGEN. You are not giving them the opportunity to get this payment, so you are leaving them out of a gratuitous program.

Mr. COAD. They will come in for any price support that the Secretary announces.

Mr. HAGEN. That is right, but not the payment program.

Mr. COAD. He can increase that.

Mr. HAGEN. All right, but they are not going to get the payments.

Mr. COAD. That is right.

Mr. HAGEN. That is half the program. That is a big part of the program.

Mr. HEINKEL. But we felt that it should be offered to people who agreed to cut back grain acreage and sorghum acreage, because they are the two items in which we have our major problem.

We did not design this just to find a way to pay out money to somebody to put acres in soil-conserving crops; but we designed it to pay people who would put acres in soil-conserving crops taken out of crops that are in major surplus.

Mr. POAGE. Thank you very much, Mr. Heinkel.

We are glad to have had you with us.

The committee is now going to stand in recess until 2:30 this afternoon, at which time we are going to hear all of the witnesses who have asked to be heard. As far as I know we have only two witnesses, Mr. Brooks and Mr. Otto.

We are going to hear those two witnesses at 2:30 this afternoon.

After that, the committee is going into executive session to consider this bill, and we will probably continue that tomorrow.

I want the members to understand that the committee is going into executive session after we complete the hearings this afternoon.

The committee will now stand in recess until 2:30.

(Whereupon, at 12:10 p.m., the hearing was adjourned, to reconvene at 2:30 p.m., the same day.)

AFTERNOON SESSION

Mr. POAGE (presiding). The subcommittee will please come to order.

We have for further discussion before us the bill. And I believe our first witness this afternoon is Mr. William Brooks of the National Grain Trade Council, and we will be glad to hear from you now.

**STATEMENT OF WILLIAM F. BROOKS, ON BEHALF OF THE
NATIONAL GRAIN TRADE COUNCIL**

Mr. BROOKS. Mr. Chairman, my statement is very brief. I have been out of town until about midnight last night. This bill has been introduced and the proposal has been made in my absence. This is a statement submitted in behalf of the National Grain Trade Council at the particular request of the Minneapolis Grain Exchange, whose telegram to me I will read by way of a statement. The telegram is dated February 21:

WILLIAM F. BROOKS,
National Grain Trade Council,
Washington, D.C.:

Due to transportation tieups and short notice, it is impossible for anyone from Minneapolis to appear personally and therefore we request that you arrange to appear before the House Agriculture Committee on February 22 and present the following statement on behalf of the Minneapolis Grain Exchange:

The authority which the Secretary of Agriculture has requested to make unlimited sales of feed grains during the marketing year for the 1961 crops of such feed grains at prices as low as \$1.05 per bushel for corn, or 15 cents below the proposed loan rate will create great uncertainty with respect to feed grain prices, will force huge quantities of feed grains in the Commodity Credit Corporation's possession through the loan program and tend to create a monopoly with CCC becoming the principal buyer and seller of feed grains. This will tend to destroy the present competitive grain marketing system. We believe that using increased loan rates, together with authority to sell below the loan rates as a means of securing participation in the diversion program is unnecessarily cumbersome and expensive. We believe that whatever diversion is required can best be obtained by direct diversion payments either in cash or in kind and that section 3 should be stricken from the proposed bill.

E. E. QUINN,
President, Minneapolis Grain Exchange.

To the extent that I have been able to study the provisions having to do with a retirement of an additional optional 20 percent of cropland and to the extent that it seems to envision sales by Commodity Credit Corporation at the market, I would have some reservations about this.

I am frank to say, Mr. Chairman, that I have not been able to study this bill in the detail that I would like to and usually do before I do come here to appear.

Mr. POAGE. We understand——

Mr. BROOKS. Thank you.

Mr. POAGE. That you have had short notice. Would you suggest that we continue to pile up surpluses?

Mr. BROOKS. I am not prepared to answer on that. I represent a service organization. As I read the report of their meetings, the policy that you people develop and with the aid of farm groups is

one that we have to work with. I recognize that there is a problem that we will pile up stocks of feed grains and wheat.

I would like to say on that merely this: that in a meeting within the last 3 weeks of members of our organization, which includes exporters as well as domestic handlers, the export group was of the opinion that Congress should exercise considerable caution in cutting back in the production of feed grains and this, particularly, in view of the fact of their outlook for the demand in the world for feed grains.

The demand which has come about and is here now because of the apparent failure behind the Iron Curtain of the agricultural programs there is considerable. They point out that the purchases by the Chinese of rather sizable volumes and probably more sizable volumes of wheat from both Canada and Australia.

They point out the present world demand for soybeans and the probable continuance of this demand.

They point out the probable increasing demand in Western Europe for our feed grains, assuming that the demand there for red meat increases and begins to approach the present domestic production of red meat here.

These are merely, perhaps, estimates on their part, but if you put a decrease in them, you might come to the conclusion that our feed grain problem will not be solved quickly. But on the world demand situation, it may not be quite as large as we think it is.

Mr. POAGE. I suggest the possibility that it is. My feeling is that if you continue the present program we will continue to pile up surpluses. And you think for some reason or other, it will not?

Mr. BROOKS. I do not think they will just go away.

Mr. POAGE. In that case we will continue to pile up surpluses?

Mr. BROOKS. I just came back from Colorado and Nebraska where I talked with a number of feeders out there, a number of people who supply people with feeding cattle, and they seem to like the present program. I am talking about feeders.

Mr. POAGE. I understand the people like it.

Mr. BROOKS. Maybe this will help to solve the problem.

Mr. POAGE. Would you give me your opinion—if you do not want to, I do not want you to—but if you would give me your opinion as to whether the present program will continue to pile up surpluses.

Mr. BROOKS. This is an area where we have no policy.

Mr. POAGE. I am not talking about a policy. You are a grain man.

Mr. BROOKS. I cannot answer it. I am not qualified.

Mr. POAGE. Anybody else want to ask any questions?

Thank you very much, Mr. Brooks.

Mr. BROOKS. Thank you.

Mr. POAGE. Now then, we have Mr. Warren H. Otto. We will be glad to hear from you.

STATEMENT OF WARREN H. OTTO, BRADSHAW, NEBR.

Mr. OTTO. Thank you, Mr. Chairman.

First of all, I would like to thank each and every one of this committee for granting me this audience. And I shall attempt to be as brief and concise as I can.

First, I would like to explain that I represent no organization or no group. I am here strictly as a dirt farmer.

I have farmed in western Nebraska for some years. It does not seem but what I am doing quite less each year than the previous year.

I believe in the higher supports for corn and feed grains with the consequent reduction in acreage. And it is my belief and opinion that compliance as to these acreage reductions should be compulsory because we cannot do it otherwise.

As an example, in 1958, on one 240-acre farm that I farmed I stayed in the program and that was the last year we had acreage allotments. My allotment was 86 acres on 240 acres. I stayed within that allotment. My neighbor across the road planted his whole section. And with his noncompliance he got within 10 cents of a bushel of what I got on the 86 acres of corn that I stayed in compliance with.

As to the livestock men, I cannot readily understand why they would like to see this present program continued. As a matter of illustration, I have a close neighbor who has, in effect, had cattle his entire life until the past 2 or 3 years. They can see where they can add a little more to the price of a bushel of grain if they market through meat.

Consequently, the farmers, the feeders this fall, bid the price of feeder cattle up, with a consequent increase in cattle population. Actually, the producers naturally if they are getting more for the feeder stock, hold back and build up the cow herds.

I would like to feed cattle. I used to feed them. I am scared to death of the future of the cattle market. This is the first year since I have farmed that I have not had cattle to feed. I have hogs that I feed. I was carrying water to them at 4 o'clock yesterday afternoon. So I classify myself as strictly a dirt farmer.

I have corn on our farm that was produced in 1956. It is still on the farm in storage. The Government to date, when I receive my next storage payment, will have a cost of 90 cents a bushel over and above their 1956 support price in that corn. I believe, and believe it sincerely, instead of getting hung with 90 cents a bushel added cost, would it not have been maybe a little better in 1956 to have cut the production in half and have given us another 50 or 75 cents a bushel on this corn? And have gotten it out of surplus?

It is like the sword of Damocles hanging over our heads—any time the Government wants to cut the thread, that is it. That is what it amounts to.

But I believe in this program—I am heartily in favor of this proposed legislation. I believe that if it is put into effect there should be strict compliance; it should be made compulsory, because you cannot let one-third or one-half of the farmers go with acreage controls and the other half produce on their entire farm and put it into production.

Mr. POAGE. I cannot find fault with anything you have said, but I would call your attention to the fact this is one phase of it.

Mr. OTTO. I realize that.

Mr. POAGE. I agree with what you say about having a program without all of the farmers in it; you cannot have one.

You believe it is desirable to try to control acreage production?

Mr. OTTO. Here is the predicament we are in now. We are within just a few weeks of planting season and I do not see—and I am not well acquainted with the legislative processes—but it does seem to me that if this program is to be enacted, it cannot be put to a vote of the farmers in that short time.

Mr. POAGE. I think it is quite clear that it cannot be done. And for that reason, I think, or it seems to me that it is quite clear that we cannot impose a mandatory program this year.

Mrs. May has wheat which has not been planted in her area. But we do not have time to conduct a referendum such as we have always conducted where we have a mandatory program. We ought to have a referendum on a program.

I find no fault with what you are suggesting. I do not think farmers ought to have support without their making some effort on their part to balance supply and demand.

Mr. OTTO. I do not know the solution, unless it is to give the Secretary of Agriculture, Mr. Freeman, the power to force this market down with surplus corn, but, as I say, that may not be the solution, but I am strictly in favor of it if it will shove these fellows into compliance.

Mr. POAGE. The Secretary has to have some power in order to prevent some individuals from planting all of their land.

Mr. OTTO. There has to be some in it someplace.

Mr. POAGE. And if you make it mandatory, you can create a situation which will make most people feel that they will make more money by complying. Most people will plant that in which they can make the most money.

Mr. OTTO. That is true. That is exactly what happened in 1958. In 1958 we had a rearrangement. Noncompliance farmers in our county in Nebraska drew within 10 cents a bushel of what I got. I received \$1.35 and noncompliance producers received \$1.25 a bushel.

Mr. POAGE. I think I do not want to be a party to that same kind of procedure. We, certainly, get within 15 cents if we pass this bill—we certainly get within 15 cents for the noncomplier as to what we get for the complier. That is what Mr. Benson did.

Mr. QUIE. What were the support levels at that time?

Mr. POAGE. Do you remember? It sold for \$1.56.

Mr. OTTO. This was in 1958, sir. I have said that I had 1956 grain in storage on the farm as of today. I have 1956, 1957, 1958, 1959, and 1960 corn in storage on the farm. I am talking of these support prices, of the difference between \$1.35 and \$1.25—that was for the 1958 crop.

Mr. HAGEN. You have made more in storage than you have on corn.

Mr. OTTO. That is what it amounts to. That is what it amounts to. I do not think it is right—I will tell you that. It is a continual fight to keep that corn in condition. As long as it is on the farmer's farm, in his storage, he is responsible for it. If that goes bad, it is money out of our pocket. We have to make up the difference.

I would rather make it the year that I produce it.

Mr. QUIE. I think we ought to read into the record that 1956 compliance corn was \$1.50 and supported noncompliance was \$1.25. There was a 25-cent difference and it did not bring the kind of compliance we wanted.

In 1958, the compliance corn was \$1.40 and the noncompliance corn was \$1.10—a 30 cents difference.

And in 1957 the compliance corn was \$1.56 and noncompliance was \$1.26—a 30 cents difference.

Mr. OTTO. I am sure—I would have sworn by all that is holy that noncompliance farmers drew \$1.25.

Mr. QUIE. Here is what happened. I was farming back then, too. And when a person took a field of corn, he did not get the national support level—he got it at the rate of his area.

Mr. OTTO. That is true.

Mr. QUIE. You point the finger at the fellow who gets the regional difference in his price support and then compares that with the national average noncompliance support level, while he should have compared it with the regional noncompliance level.

Mr. OTTO. The point I am trying to make is that there should be no support for the noncomplier.

Mr. QUIE. I agree with you there.

Mr. OTTO. To me I just do not believe—I actually do not believe that you can make any kind of a program work even on a temporary basis without some compulsion of some sort.

Mr. POAGE. Do you not think that you are going to have to have exactly what we have, not compulsion, but as I said instead of using compulsion, to use the approach of making it more profitable for a man to comply than it is not to comply. And would you not, if you got substantial compliance, bring the price of all feed grain just to that under loan unless we have some power on the part of the Secretary to sell grain at less?

Mr. OTTO. That is right.

Mr. POAGE. We had that in cotton this last year. A cotton was supported at 75 percent parity. B cotton was sold at about a cent and a half of the A cotton support price. The Government did not support it at that price but it brought just under the support price.

Is that not always going to be the situation with any commodity, if you get a substantial balance between supply and demand?

Mr. QUIE. And it should be.

Mr. POAGE. If you are going to hold that out, as being an opportunity to the noncomplier, you will never get compliance. How can you get compliance if you are going to tell the noncomplier that he is going to get within a cent and a half of what the complier does?

Mr. OTTO. That is true. Another thing that I believe that will work in my behalf and in behalf of every grain producer is that the cost of production each year is just continually rising. It seems like the cost of our corn each year continually decreases in price.

Mr. POAGE. It has just decreased some 50 cents or 30 percent in the last 4 of 5 years, has it not?

Mr. OTTO. Twenty or twenty-five percent reduction in acreage will give us a certain direct reduction in our production costs.

Mr. POAGE. A great many people in the United States have the philosophy—I do not subscribe to it, but I think many have it—that if you lower the price you will stop production. It does not do that.

Mr. OTTO. If it continues, my bankers will tell me I cannot continue.

Mr. POAGE. I just want you to tell us whether you think the Farm Bureau philosophy ever works?

Mr. OTTO. No, sir.

Mr. POAGE. I cannot see it work, either. I have been watching it for a good many years. They have a good insurance program, but I am suggesting that this idea that simply by starving the farmer out that you can achieve a balance of supply and demand is one which we have practiced for 8 long years, and I am sick and tired of those years. I think that we need to get another philosophy.

Mr. OTTO. In reference to the statement about Farm Bureau insurance, it is cheap, it is good. That is the way I heard Mr. Shuman this morning when he mentioned figures, how many people, farm families, be represented. That insurance is the biggest come-on for the Farm Bureau membership; in other words, it is a "gimmick."

I can take you into my hometown and show you people that live right in town that do not operate a farm and do not own one but who belong to the Farm Bureau for the reason they can buy automobile insurance cheap.

Mr. QUIE. I do not think we ought to take any organization apart without them being here.

Mr. POAGE. I am a member of the Farm Bureau, so say whatever you please. [Laughter.]

Mr. JENNINGS. I just want to mention the fact that I was complimenting them on the insurance portion and I did not say anything derogatory. I made the statement that they have a good insurance program.

Mr. POAGE. I want to say, first, that the idea of reducing production by decreasing price has not worked.

Mr. OTTO. True, it has not worked.

Mr. POAGE. It never will work.

Are there any other questions?

Mr. SHORT. Mr. Otto, I would like to examine a little bit your contention—I would like to go a little bit further into the pursuit of the philosophy of reducing production of a commodity and maintaining the farmer's income by a corresponding increase in the price.

Certainly, as a farmer myself, I am interested in good prices for farmers, but I think we have somewhere along the line to recognize some of the facts of life and of economics and the prices that people will pay. If we raise the price of feed grains, for instance, it is going to bring about, it would seem to me, and will mean an increased price that the feeder would have to receive for his cattle and hogs that he produces.

Do you not think there is the possibility of there being a corresponding decrease in consumption? We have poultry which is, certainly, a competitor of pork and beef. We have the various fish products.

Do you not think that if you pursue this approach that we can increase the farmer's income by cutting down his production by correspondingly raising his price that we sometime will reach the point where we will decrease the market for the end product that is produced by the use of these feeds? I think we have almost reached the top level that people are going to pay for beef, for instance.

It would seem to be that inevitably we are almost faced with the very real possibility that we are going to have a corresponding reduction in per capita consumption.

Mr. OTTO. I do not believe so. It seems like our per capita consumption of red meats is on a rise each year.

Mr. SHORT. We always consume whatever we produce in the way of meat. There is no surplus. There is no way to retain it. It has to be sold at some price.

Mr. OTTO. If there is oversupply of it, bang, there goes your money.

Mr. SHORT. Are you talking about reducing the available supply and raising the price? It would have to be raised so far as the feeder is concerned. And he is going to maintain his present income, is he not? If he is going to cut back on production, he is going to have to get a correspondingly larger price for what he does sell. If he is going to cut back on his bushels in return for an increase in price, the feeder will have to cut back on the number of cattle and hogs that he produces and, in return, for an increase in price. That will reach the point up here someplace where the consuming public will no longer pay that price. Are you not going to reach that?

Mr. OTTO. I do not think so. It is a possibility theoretically, but I will not say a probability. The American people eat better on less money—it takes less work to fill the housewife's food basket. And people that are working that have a steady income and are used to eating beefsteaks and chops are just not going to quit eating. I just do not believe it will work that way. I may be wrong, but I do not think so.

Mr. SHORT. I hope you are right, but remember this: They pay today about the maximum that they will pay. If people would pay any more for sirloin and T-bone steaks, you can rest assured that price would be pushed up to the price that they would pay.

Mr. OTTO. The farmer's meat dollar is lower in these years.

Mr. JENNINGS. Just as a matter of interest, when he was receiving \$1.50 for his corn, what was the meat product selling for then?

Is there a great differential in the price today and the price that we had in the period of oversupply and the fact that we have surpluses, has it caused a great differential in price that the housewife must pay for the meat products, the end products, or is the relationship not as great as we think it is?

Mr. SHORT. It is hard to compare them. I would say there are many other factors that are related to the price of the sale of meat that you could hardly relate them entirely back to the price. I think we are just about at the top. I know a little bit of something about meat at the retail level.

I think we must admit that the price is now at the maximum. If there was any opportunity to get a higher price, they would, certainly, get it.

Mr. POAGE. Will you yield there? We are getting down right now to 24–28 cents for cotton, fall delivery. I think I can say it has been about 3 or 4 years ago we contracted way up in the high 30's. It went as high as 10 cents a pound higher than today.

The price of corn was higher than it is today. Who has got the advantage of this drop in price of corn? Corn has dropped by $33\frac{1}{3}$ percent in the last 4 years. Who has the advantage? Does the housewife get a $33\frac{1}{3}$ percent drop in the price of meat she pays?

Mr. SHORT. The price of the best cattle has certainly gone down.

Mr. POAGE. That is right. The price is down almost as much as that of corn. Not quite that much.

Mr. SHORT. 28.5 cents last month.

Mr. POAGE. I was talking about calves. I know of one contract for 39 cents a few years ago. Now we are down to 24 and 26 cents.

I wanted to find out who is making the money now. Where does the money go? Obviously, there has been a drop of approximately a third in the value of the corn. I think nobody denies that, do they? The price of cattle has come down, at least, the price of feeder cattle has come down, by approximately a third, too, or almost that much.

It seems to me that the fact that your corn has come down would indicate that if corn went up, the farmer would make more money, as he did when corn was worth \$1.50 as against what it is today.

Mr. SHORT. The only point that I am trying to make is one that we should not lose track of in this whole consideration. It is this simple. Can we by legislative decree establish a proper price for any product? If so, why can't we go on down the line and establish the proper price for all commodities, automobiles, and everything else? That is the point that I am trying to get at here. I think somewhere along the line there is a relationship and we cannot be sure that people will buy at this desirable price that we would like to have.

Mr. OTTO. I just do not believe that it will come to that. Another point I would like to make—

Mr. POAGE. Before you get on that, will you yield again? As to the consumption of beef per capita 3 or 4 years ago, was it as much as it is today?

Mr. OTTO. I think it figured up just within a fraction of it.

Mr. POAGE. I think it is almost exactly level. I do not think there has been any substantial change in the per capita consumption of beef in the last 4 years. I think the demand is almost static and yet the price of meat animals has come down by 30 percent or more.

Mr. SHORT. Right there, Mr. Chairman, you have to remember that we always consume whatever we produce—yes, we do. There is not one instance in history where we have not consumed what we produced in the way of meats.

Mr. POAGE. Of course, that is true. Of course, that is true. But we are consuming today at substantially a lower price than we were consuming 3 or 4 years ago. And it seems to me there is a direct relationship between the price of corn, which is way down.

I would like to see us get for beef the substantially higher figure which we did get 4 years ago with higher priced corn—where the corn man was doing better than he is doing today.

Mr. SHORT. Was the retail price 4 years ago higher?

Mr. POAGE. I do not think there was much change in the retail price.

Mr. OTTO. Last year an economist at Iowa State College, after exhaustive research on it—I do not know whether right or wrong—came out with the statement if the American farmer was turned loose on these prices of all commodities, not only feed grains but meats—turn them loose and let these commodities seek their market level—this is a matter of record—it was in the U.S. News and World Report, Capper's, and Farm Journal and all of the papers, Wall Street Journal, where I read it the first time—I may be off on some of these figures—wheat around 85 or 90 cents; corn down around 55 cents; cattle down around 13 cents; and hogs 6 cents; and a dozen eggs about 10 cents.

American agriculture cannot operate under those kind of prices, not that I am saying that is what we will have. I am in complete accord with those economists that if it was cut loose, production was cut loose and with no support, no help of any kind, that is just exactly what would happen. We might be lucky if the prices were that high.

Mr. SHORT. Can you tell us that under any support or control program that it would be up?

Mr. OTTO. We have a support on corn and feed grains to a certain degree. If there was absolutely no support for feed grains and production was turned wide open and corn went to 55 and milo in direct proportion, how long do you think it would be before we had the biggest welter of cattle in history?

Mr. SHORT. I think the amount of feed grains available has a small degree of influence over the number of cattle actually produced. That is not true of hogs, I grant you. Your capacity to produce cattle in the United States has a very small relationship to the capacity to produce feed grains.

Mr. OTTO. In turn, in the way of reiteration, I have close neighbors feeding cattle this year, and last year, that never had a carload of cattle in their feed yards that I can remember of in the past 15 or 20 years. They see where they can make another dime or 15 cents a bushel on corn. They are buying them. You go to the sales barns in Grand Island and Sand Hills and those places up in Nebraska, farmers from Indiana, Ohio, are flocking in there each week buying these cattle to take back to feed that grain to.

What has it done? As I mentioned a moment ago, the producer, the man that is producing these cattle to sell as feeders, is making good money on it. They have been clear out of reach. I am scared of it. We are building up another population of cattle. And one of these days I just do not know. I would like to have fed cattle this year, but I was afraid of it. My banker talked me out of it. He advised me against it. I figured he was right. I do not know whether he was right or I am right or how it will turn out.

But I know while I am showing a deficit in the last 2 years of grain production, I would be clear out of business with a bad thing in cattle.

Mr. JENNINGS. I share your views, because it applies to feed grains. When cattle are down, I saw it in my own area where they sell feeder cattle and calves. I saw for a temporary time markets for those calves and feeder cattle go up. As you said, they were going up into Indiana and Ohio where they had a surplus of these cheap grains. Now cattle and calves, feed calves, feeder stock, are up and we have an oversupply of livestock and cheap prices.

Mr. SHORT. All I can say is that what you have said is probably true, but it did not bring about a production of a greater number of cattle.

Mr. JENNINGS. I disagree. I think it did. I think the people that have the surplus grain contract to that market for livestock rather than market it in the direct manner and they are trying to make more money and as a result we have more feeders, we have more cows and calf herds, and as a result we have more meat on the market.

Mr. POAGE. What Mr. Short said about meat, is true. We always consumed all of the meat that went on the market. It is also true that all of the feed grains that were put on the market are consumed by

animals sometime. Is that not true? Did you ever hear of feed grains on the market that did not go into animals?

Mr. SHORT. Of course, Mr. Chairman, putting the feed grains into storage for future service.

Mr. POAGE. I am talking about your statement that we always consumed all of the meats that went on the market—that we consumed all of the meats that went on the market. I think it is equally true that animals consume all of the feed grains that go on the market. People do not go and buy feed grains that do not have any animals to feed them to. People do not buy these grains simply to put them into storage. They buy these grains to feed them to cattle or hogs or chickens. And they always eat up all of the product, year by year.

So all feed grains are used up, no matter what the price, whether high or low except for what is stored largely at Government expense. And the result is that if you put a lot of feed grains on the market at a low price you are certainly going to produce more pounds of meat than you are if you put a small amount of feed grains on the market at a high price.

Mr. MATTHEWS. As I understand it, all the gentleman wanted to say chiefly was that he favored the Secretary's program but he wanted strict compliance.

Mr. OTTO. That is my honest conviction.

Mr. MATTHEWS. I wanted to know what your testimony was.

You feel that strict compliance is not in the Secretary's proposal?

Mr. OTTO. I think that, eventually, you will defeat your purpose if there is not some kind of strict compliance.

Mr. MATTHEWS. If you do not get strict compliance?

Mr. OTTO. That is right.

Mr. POAGE. We are very much obliged to you, Mr. Otto.

Mr. OTTO. Thank you.

Mr. POAGE. I believe Mr. Smith desires to testify in behalf of the State of Iowa.

STATEMENT OF HON. NEAL SMITH, A REPRESENTATIVE IN CONGRESS FROM THE FIFTH CONGRESSIONAL DISTRICT OF THE STATE OF IOWA

Mr. SMITH. Mr. Chairman, I want to take about 5 minutes to formally propose something that I have spoken privately of to some of you. It would apply particularly to this bill and the specific amendment, I think, should be incorporated in some other support legislation.

It is simply this: that the support price be limited to the average or normal production on the allotted acres. In other words, suppose a man has an allotment of 100 acres; you use this allotment and you measure his acres so as to check compliance with the allotment, but when it comes to the time to support his product, you support only the average production on that 100 acres.

This takes away the Government financed incentive to keep pouring on fertilizer and producing more.

Mr. POAGE. That is substantially a suggestion that we make the allotment in bushels instead of acres?

Mr. SMITH. Yes; and this is as far as you can go toward bushelage allotments on feed grains.

On wheat and so on, you could actually clamp on a bushelage marketing allotment, but this would be about as far as you can go to put feed grains on a bushelage basis. And this takes away the incentive, you see, to continue to pour on the fertilizer and produce more and more, and it takes away the encouragement toward producing more that results from a higher support price.

Mr. QUIE. How does anybody know what is on my farm?

Mr. SMITH. They have production records.

Mr. QUIE. How did they find out about it? Nobody came and measured it.

Mr. SMITH. Yes; I think they sent out questionnaires and so forth, including yours, and they have ways of documenting it. The Department has estimates right now.

Mr. QUIE. The Department sent it out? They did not send it to everybody.

Mr. SMITH. You are saying that maybe the record that they have is not exactly correct, but they have records and estimates as to the average production in every township. This was used, as a matter of fact, in 1957 and 1958 with regard to the acreage reserve program.

Mr. QUIE. And they made some pretty bad recommendations on some of them and they did not allow an appeal. Would yours allow an appeal?

Mr. SMITH. There was in 1957 and 1958; I appealed on my farm.

Mr. QUIE. There was in 1957, and in 1958 there was not.

Mr. SMITH. I appealed on mine. I think there should be appeal rights. I surely think there should be an appeal right and that township committees should try to look at the township as a whole and distribute this properly among the farms.

But the point I am making is that there is some validity to the argument that if you increase price, you increase encouragement to put on a little more fertilizer. I am saying you can overcome most of that by giving the man bushelage allotments as to what is available for the support prices and anything he produces over that he can put on the market. If he gets a big crop that year his cost per bushel is less, so he can afford to market some without support loans.

Mr. MATTHEWS. If I can make one comment now, then I will ask no more questions. He has put his finger on the main problem we have. The other day I did not want to question the Secretary about this because I realized that this is an emergency matter and that this approach would involve many other commodities, but as my colleague, Mr. Jennings, has pointed out before, I do not think we are ever going to have any successful price-support program insofar as corn is concerned until corn is put on the bushelage basis; so far as wheat on a bushel control, that is no different. Cotton control, tobacco control, some kind of a pound control. I realize it is a problem, especially since the feed grains are fed on the farm, but I just would like for my opinion to be stated that I just do not think we ever are going to solve satisfactorily this problem of production controls unless we do it somewhat on the basis that the gentleman has outlined.

I want to thank you for bringing that point out.

Mr. SMITH. Thank you very much. I will close by saying that this leaves the incentive to be a better farmer and to produce more with the same tools, but it takes away the encouragement of pouring on more fertilizer to just actually convert fertilizer into corn.

If there are any questions, I will be glad to answer them.

Mr. POAGE. Any further questions?

Mr. SHORT. Do you not have a very serious problem—this is a basic problem—any time you start the bushelage control program—you talk about trying to arrive at some kind of a policy—before I go any further I think your proposal here has a lot of merit to it—it would reduce the incentive to just spread more on each acre and produce more. It seems to me that you have to very meticulously arrive at a production figure farm by farm, or you are going to tend to penalize the good farmer and give advantage to the poor farmer.

Mr. SMITH. I grant you that you have to do it farm by farm. And I think (some of you may not agree) but I think they did a pretty good job in 1957. In order to determine how much you could get per acre on the acres put into the acreage reserve, you had to determine how many units you could produce per acre. So farm by farm they got average production figures. I think they did a pretty good job.

I know you cannot do it perfectly, but I think it was good enough, that it would be worthy of application not only to the feed grains program, but also wheat and cotton and various other programs where we have seen the results of fertilizer being almost directly converted into production units.

Mr. QUIE. What was done in 1957 is going to be done under this bill.

Mr. SMITH. You are correct.

Mr. QUIE. The normal production must be established in order to make the rental payment on the 20 percent diverted acres.

Mr. SMITH. That is correct.

Mr. QUIE. You asked us to go one step further on the price-support level?

Mr. SMITH. Yes, that is a good point. They will have to do this, anyway, administratively. You can use the same figure in applying it to the support level. It would be the number of units that could be supported.

Thank you.

Mr. POAGE. Thank you very much.

Are there any others present who want to be heard on this feed grains bill? If so we will hear them now. If not, we are going to close the public hearings. The hearings are closed; and the subcommittee will remain here in executive session.

(Whereupon, at 3:20 p.m., the subcommittee proceeded into executive session.)

(The following letter and statement was also submitted to the subcommittee:)

STATEMENT OF THOMAS L. KIMBALL, EXECUTIVE DIRECTOR, NATIONAL WILDLIFE
FEDERATION

Mr. Chairman, the National Wildlife Federation is a private, nonprofit conservation education organization composed of 50 affiliates in 49 States and the District of Columbia. These affiliates are made up of some 2 million individuals

from almost all stations in life and constitute a representative cross section of the general public.

The National Wildlife Federation, in annual convention last year, adopted a resolution recommending extension and expansion of the conservation reserve soil bank program. The Soil Bank Act (Public Law 540) authorizing "new signups" was not extended by the 86th Congress. We however, believe these basic principles are true and should be given utmost consideration with respect to H.R. 4510 and formulation of long-range agricultural programs.

1. Excess amounts of some agricultural commodities currently cost the Federal Government (and thus, the taxpayers) huge sums annually in subsidies and expenses of storage, as pointed out by the President and Secretary of Agriculture in recent messages to the Congress.

2. Agricultural land held out of production under established conservation practices retains its fertility for possible future needs while, at the same time, relieving the Federal Government of significant costs of storing surplus commodities; and,

3. Conservation practices holding excess land out of production have proven to be of great value in increasing populations of wildlife and fish, with important contributions to the public recreational facilities and to the national economy.

It is our belief that an agricultural land retirement program holding at least 68 million acres out of production would have a significant effect upon reducing surplus production.

The National Wildlife Federation understands H.R. 4510 is an emergency feed grain program for 1961, to be supplemented later by a long-range program. It also is our understanding that producers would be encouraged to shift acreage from grains to a "soil conserving use," apparently under the agricultural conservation program. If the committee decides this course of action is sound, we should hope the "soil conserving use" will be specified as a practice (or practices) of food-and-cover value to wildlife. We also should venture the opinion that those ACP practices which permit the application of fertilizers ultimately will result in greater production and be in conflict with the principle of land retirement to reduce surpluses.

Thank you, Mr. Chairman, for the opportunity of expressing these views.

MILLER SEED Co.,
Lincoln, Nebr., February 24, 1961.

HON. RALPH BEERMANN,
House of Representatives, Washington, D.C.

DEAR MR. BEERMANN: We are deeply concerned with the agricultural situation as it exists today, and feel that what will help agriculture will eventually help the Nation as a whole. It is our feeling, as well as many others in and out of Government, that a retirement of our surplus-producing acres is the long-range solution of bringing production in line with consumption. The land retired must be taken care of in such a way that it will be to the countries' best interest in the long run, and will be maintained in such a condition that it can come back into high productive level when it is needed.

After seeing the soil bank phase of the agriculture program in operation for the past 3 years, we feel that there are some improvements in the land retirement program that would be of benefit to all concerned.

1. Treatment of the retired land should be handled in accordance with the recommendations of the local soil conservation district. They are the people who know the capabilities of the retired land and can make the best recommendations for maintaining this land in the best condition.

2. On land retired to grass, participants should furnish definite proof of planting the required seed and a copy of the test of the seed used should be furnished from a recognized testing laboratory. Random drill box checks of at least 25 percent of the plantings should be made to make sure that the seed is being planted and of the kinds and quality that is supposed to be planted under the recommendations of the Soil Conservation Service.

Under the past soil bank program there were a number of areas and numerous instances of participating farmers running over their land with empty drills. Another abuse that became quite common was to use substandard seed which

could be purchased at a cheap price, and represent it with a tag or analysis from a good lot of seed which would meet the requirements for the quality that was supposed to be used.

Drill box checks will go a long way in correcting this type of cheating. In the areas where the above two abuses were practiced quite widely, only a small percentage of plantings ever obtained a stand of grass.

In any new legislation that is adopted for the purpose of carrying out land retirement, ground rules should be set up that will accomplish the purpose of the program in the best interest of Government and all concerned.

Yours very truly,

GLENN E. MILLER, *President.*



LEGISLATIVE HISTORY

Public Law 87-5
H. R. 4510

TABLE OF CONTENTS

Index and summary of H. R. 45101
Digest of Public Law 87-2

INDEX AND SUMMARY OF H. R. 4510

- Feb. 17, 1961 House received President's proposed feed grains bill. Copy of President's transmittal letter, draft bill and this Department's letter setting forth provisions of proposed bill.
- Rep. Poage introduced H. R. 4510 which was referred to the House Agriculture Committee. Print of bill as introduced.
- Feb. 20, 1961 Senate received President's proposed bill. Permission granted to print the President's message as Senate Document 12. Copy of document.
- Sen. Mansfield (for Sen. Ellender) introduced S. 993 which was referred to the Senate Agriculture and Forestry Committee. Print of bill as introduced.
- Feb. 24, 1961 House subcommittee voted to report H. R. 4510 with amendment.
- Feb. 27, 1961 House committee reported H. R. 4510 with amendment. H. Report No. 29. Print of bill and report.
- Feb. 28, 1961 Summary of H. R. 4510 as reported by the House committee.
- Sen. Cooper inserted letter and statement from Secretary Freeman comparing feed grains proposal with the soil bank program.
- Mar. 1, 1961 Senate committee ordered S. 993 reported with amendment.
- Mar. 2, 1961 Senate committee reported S. 993 with amendment. S. Report No. 59. Print of bill and report.
- Mar. 6, 1961 Rules Committee reported resolution for consideration of H. R. 4510. H. Res. 208, H. Rept. No. 59. Print of resolution and report.
- Summary of S. 993 as reported by Senate Committee.
- Mar. 7, 1961 House began debate on H. R. 4510.
- Mar. 8, 1961 House continued debate on H. R. 4510.
- Senate began debate on S. 993.
- Mar. 9, 1961 House passed H. R. 4510 with amendments.

INDEX AND SUMMARY OF H. R. 4510, cont'd.

Mar. 10, 1961 Senate passed H. R. 4510 with amendment (substituted language of S. 993. Print of bill as passed.

Senate conferees were appointed.

S. 993 indefinitely postponed due to passage of H. R. 4510.

Mar. 13, 1961 House conferees were appointed on H. R. 4510.

Mar. 20, 1961 House received conference report on H. R. 4510. H. Report No. 170. Print of report.

Mar. 21, 1961 House agreed to conference report on H. R. 4510.

Senate received conference report.

Mar. 22, 1961 Senate agreed to conference report.

Approved: Public Law 87-5.

Statement by President.

DIGEST OF PUBLIC LAW 87-5

FEED GRAIN PROGRAM, 1961. Amends section 105 of the Agricultural Act of 1949 to provide that the level of price support for the 1961 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine.

Amends section 16 of the Soil Conservation and Domestic Allotment Act by directing the Secretary to formulate and carry out a special agricultural conservation program for 1961, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums to an approved conservation use and increase their average acreage devoted in 1959 and 1960 to designated soil conserving crops or practices by an equal amount. An acreage equivalent to 20 percent of the average acreage on the farm of these two crops in the years 1959 and 1960 must be retired in order for the producer to be eligible for price supports on corn or grain sorghums. Payments in kind only may be made for the diversion of up to an additional 20 percent of such corn and grain sorghum acreage.

Requires the Secretary to submit to Congress, not later than 90 days after the effective date of this Act, a detailed report indicating the progress, cost, and reduction of surpluses under this Act.

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued February 20, 1961

For actions of February 17, 1961

87th-1st, No. 23

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HIGHLIGHTS: House received Administration's feed grains bill. Rep. Poage introduced feed grains bill.

HOUSE

1. FEED GRAINS. Received from the President a proposed bill "to provide a special program for feed grains for 1961"; to Agriculture Committee. p. 2172

The President's transmittal letter includes the following statement:

"The legislative proposals submitted herewith (1) would provide that cooperators would receive a support price of \$1.20 a bushel for corn for 1961, and would receive supports for other feed grains in relation to those for corn; and (2) would authorize a special agricultural conservation program under which acreage previously planted to feed grains would be diverted from production for 1961. Unlike the present program under which a support price of \$1.06 a bushel is paid to all producers without regard to any limit on production, producers will not be eligible for price supports under this new program unless they cooperate in the special agricultural conservation program.

"This emergency program covers only the 1961 crop. I intend to recommend to the Congress other legislation covering both wheat and feed grain crops for subsequent years."

2. ECONOMIC GROWTH. Rep. Curtis charged that President Kennedy's state of the Union address and economic report were an "unfair presentation of the state of our economy" and stated that "we are at our highest economic peak." He contended that technological growth brings increased technological unemployment and stated that in the field of agriculture "technological advancement has been so great and so rapid that millions of people who had skills of a sort in agriculture find that the skills are now obsolete, are no longer needed." pp. 2157-61

3. COMMITTEE EMPLOYEES. Received from each committee a report showing the name, profession, and salary of each employee of the committee. pp. 2166-72
4. ADJOURNED until Mon., Feb. 20. p. 2165

ITEMS IN APPENDIX

5. PERSONNEL; HEALTH. Rep. Teague inserted a tabulation from GAO comparing the health benefit plans offered Federal employees by Group Hospitalization, Inc. and the Blue Cross-Blue Shield Association and a report from CSC on the Windsor Medical Comprehensive Group Plan. pp. A999-1006
6. MINIMUM WAGE. Rep. Gilbert inserted his statement before the House Committee on Education and Labor favoring enactment of legislation to increase the minimum wage gradually to \$1.25 an hour. p. A1010
7. DEPRESSED AREAS. Reps. Wharton and Walter inserted newspaper editorials opposing enactment of depressed areas legislation. pp. A1010-11

BILLS INTRODUCED

8. PERSONNEL. H. R. 4526, by Rep. Lesinski, to amend the Civil Service Retirement Act to provide for the inclusion of certain additional types of compensation within the meaning of the term "basic salary" for the purposes of such act; to Post Office and Civil Service Committee.
H. R. 4527, by Rep. Lesinski, to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions; to Post Office and Civil Service Committee.
9. MILK. H. R. 4517, by Rep. Kastenmeier, and H. R. 4536, by Rep. Stratton, to extend and increase the special milk program for children; to Agriculture Committee.
10. VETERANS' BENEFITS. H. R. 4509, by Rep. Edmondson, to provide readjustment assistance to veterans who serve in the Armed Forces between January 31, 1955, and July 1, 1963; to Veterans' Affairs Committee. Remarks of author. p. 2133
H. R. 4530, by Rep. O'Hara, Ill., to amend the Veterans' Readjustment Assistance Act of 1952 to make the educational benefits provided for therein available to all veterans whether or not they serve during a period of war or of armed hostilities; to Veterans' Affairs Committee.
11. CONSERVATION. H. R. 4531, by Rep. O'Hara, Ill., to authorize the establishment of a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of national resources of timber, soil, and range, and of recreational areas; to Education and Labor Committee.
12. RECREATION. H. R. 4533, by Rep. Olsen, to provide for the establishment of an effective Federal aid program to assist States in the development of certain outdoor recreational resources; to Interior and Insular Affairs Committee.
13. WATER POLLUTION. H. R. 4547, by Rep. Wright, to amend the Federal Water Pollution Control Act to provide for a more effective program of water pollution control; to Public Works Committee.

C O P Y

C O P Y

C O P Y

February 16, 1961

Dear Mr. Speaker:

I am transmitting herewith a bill to provide a special program for feed grains for 1961. I urgently recommend to the Congress the enactment of this emergency program so that it can cover the 1961 crop.

The existing program has failed. It has resulted in the accumulation of a burdensome and dangerous surplus, mainly of commodities for which there is no adequate outlet even under our expanded programs of providing food for those in need. At the same time, it has failed to protect farm income, and it is threatening to drive down the prices farmers receive for hogs, cattle, poultry and eggs, and milk to disastrous levels. If this program is allowed to continue in effect for this year's crop, the stocks in Government hands will reach even more alarming proportions, a virtually unmanageable storage problem will be created, farm income will continue to suffer, and large amounts of Government funds will be needlessly expended. Immediate action is required to prevent further deterioration of this situation. In order to be effective with respect to this year's crops, a new program should be authorized by March 1st.

I believe that any legislation enacted should fit our over-all goal to use our agricultural abundance to meet the needs of our people, and at the same time provide a fair income for those who produce that abundance. We need to shift our production from commodities of which there is an unmanageable surplus to commodities for which there is a need, even as we curtail our production of those surplus commodities. The Secretary of Agriculture already has authority to take steps toward these goals with regard to some commodities, such as milk, soybeans and cottonseed, pork, poultry and eggs. However, new legislation is needed for effective action with respect to corn and other feed grains. The legislation I am now recommending will fill this gap with the authority needed to round out an emergency program for this year in the feed grain sector of our farm economy.

Although this is an emergency program, it is consistent with our long-range objectives and would accomplish the following: (1) a moderate increase in farm income; (2) a saving of several hundred million dollars of Government funds; and (3) a holding down or reduction of surplus stocks to more manageable proportions. This is accomplished without any material effect upon consumer prices.

The Government now holds 2.7 billion bushels of feed grains. The investment in feed grains stands at the all-time high of nearly \$4 billion. The 1961 crop will soon be planted. By this fall, the nation will be confronted once again with a shortage of space in which to store grain. The shortage may amount to the off-farm space required for as much as 200 to 250 million bushels if we fail to take any preventive action now. The storage problem will be further accentuated in 1962.

The legislative proposals submitted herewith (1) would provide that cooperators would receive a support price of \$1.20 a bushel for corn for 1961, and would receive supports for other feed grains in relation to those for corn; and (2) would authorize a special agricultural conservation program under which acreage previously planted to feed grains would be diverted from production for 1961. Unlike the present program under which a support price of \$1.06 a bushel is paid to all producers without regard to any limit on production, producers will not be eligible for price supports under this new program unless they cooperate in the special agricultural conservation program.

This emergency program covers only the 1961 crop. I intend to recommend to the Congress other legislation covering both wheat and feed grain crops for subsequent years.

There is attached hereto a letter from the Secretary of Agriculture setting forth the details of the program. It is important that it be accorded the prompt consideration of the Congress.

Sincerely,

/s/ John F. Kennedy
President

Honorable Sam Rayburn
Speaker of the
House of Representatives
Washington, D. C.

(Identical letter
sent to the presi-
dent of the Senate).

C-O-P-Y

A B I L L

To provide a special program for feed grains for 1961

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection:

"(c) Notwithstanding any other provision of law:

(1) The level of price support for the 1961 crop of corn shall be \$1.20 per bushel.

(2) The level of price support for the 1961 crop of oats, rye, barley, and grain sorghums shall be such level as the Secretary determines is fair and reasonable in relation to the level of price support for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors set forth in section 401(b) hereof.

(3) The Secretary shall require as a condition of eligibility for price support on the 1961 crop of corn, grain sorghums, and any other feed grain which he may designate that the producer shall participate in the special agricultural conservation program for 1961 for feed grains to the extent prescribed by the Secretary."

Sec. 2. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(c) Notwithstanding any other provision of law:

(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1961, without regard to

provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation practice payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn, grain sorghums, and such other feed grains as the Secretary may designate, to an approved conservation use.

(2) Obligations under such program may be incurred in advance of appropriations therefor (i) for payments in cash in an amount not exceeding \$500 million, and (ii) for payments-in-kind for diversion of acreage, within such limits as the Secretary may require, in addition to that required to be diverted in order to be eligible for price support. Payments-in-kind shall be made through the issuance of certificates redeemable by the Commodity Credit Corporation in accordance with regulations prescribed by the Secretary for feed grains or, at the option of the producer to whom the certificate is issued, for cash. To the extent such certificates are redeemed for cash, Commodity Credit Corporation shall sell a sufficient quantity of feed grains at the market price to cover the cost of such cash redemptions.

(3) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(c). The Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to

pay administrative expenses in connection with such program during the fiscal year ending June 30, 1961."

Sec. 3. Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized to sell any feed grain at market prices during the marketing year for the 1961 crop of such feed grain.

DEPARTMENT OF AGRICULTURE
Office of the Secretary
WASHINGTON

February 16, 1961

MEMORANDUM

To: The President
The White House

From: The Secretary of Agriculture

Dear Mr. President:

The Emergency Feed Grain Program for 1961 is described in detail below: This program will, I believe, achieve the objectives for the feed grain economy outlined in your letter transmitting proposed feed grain legislation to the Congress.

1. Each producer will be asked to shift to a soil conserving use 20 percent of the acreage he had planted, during the base period 1959-1960, to corn, grain sorghums, or other feed grains. The Secretary will prescribe the use of these diverted acres for conservation purposes. Producers cooperating in the program will receive payments under the special conservation program equal to 60 percent of the gross value of a year's normal production on the diverted acres. A corn grower in an area where the corn support price is the proposed national average of \$1.20 would compute his payment by multiplying 60 percent of the support price, 72 cents, by his normal corn yield. If his yield was 50 bushels an acre, his payment for shifting 20 percent of his corn acreage would be 50 times 72 cents, or \$36.00 per acre.
2. The cooperating producer will be eligible, at his option, to divert additional feed grain acreage into a soil-conserving use. For this he will be paid in kind from Government stocks of grain at the rate of two-thirds of his normal yield per acre. These payments-in-kind will be made by issuing certificates which the producer can redeem in grain or in cash at his option. If redeemed in cash, the Commodity Credit Corporation will sell enough grain on the market to cover the cost. The producer can receive these payments-in-kind for shifts up to 20 percent of his feed grain acreage -- making a total shift of up to 40 percent.

3. A producer who cooperates by shifting at least 20 percent of his acreage from feed grain production will, in addition to the special conservation payment he receives, be eligible for price supports at a national average rate of \$1.20 a bushel for corn and related rates for other feed grains. Producers who do not cooperate will not be eligible for price supports on corn or other feed grains.
4. The Commodity Credit Corporation would be authorized to sell during the marketing year for the 1961 crop, at current market prices, as much grain as the successful management of this feed grain program requires. The knowledge that these stocks could be placed on the market would encourage producers to participate in the program rather than gamble on market prices.
5. Support prices for soybeans will be raised to \$2.30 per bushel and the support price for cottonseed raised to a competitive relationship with soybean support prices. This will encourage the diversion of a part of the current feed grain acreage to soybean production. World supplies of high protein meals and vegetable oils are in short supply and the increase in soybean production achieved by the higher price supports can be used to meet current world needs.

The estimated cost to the Government of the conservation payments under this program is from \$400 million to \$500 million. There would be an outlay also for payments-in-kind, but these would be more than counter-balanced in time by savings made possible by reducing stocks that require expensive storage and by reducing production of grain that would be eligible for price support loans if produced. There would also be some outlay for price support loans, but with a reasonably high degree of cooperation among farmers, total feed grain production would be brought more nearly into line with demand so that prices will rise and Government stocks will be absorbed in the market. Thus, the total estimated cost of the program in the long run is only the cost of the conservation practice payments -- \$400 million to \$500 million. This would replace the estimated expenditures under the existing program of \$1.5 to \$1.6 billion of which we could expect to recover eventually only \$500 million. The net saving under the proposed special program as compared with the existing program would be in the order of \$500 million.

The case for the proposed special program, however, does not rest on estimated savings regardless of how important those may be. Other reasons are impelling.

The gross income of the average feed grain producer would be increased substantially under this program and his net income even more.

In addition, the wasteful buildup of feed grain stocks would be brought to an end, thus alleviating an acute shortage of storage space in the fall of 1961 and avoiding a needless further increase in storage costs. Present Government holdings of feed grains would also be reduced to some extent. Consumer prices will not be affected measurably.

A draft of appropriate legislation to authorize this program is attached. I urge the Congress to enact this legislation speedily. I also respectfully urge the Congress not to complicate the consideration of this legislation by coupling other matters with it, and thus inviting delay. Time is of the essence in this matter.

The people are looking to us to find solutions to some of the problems plaguing American agriculture. They would not look kindly upon a failure to avail ourselves of an opportunity to take what is so plainly a forward step.

Sincerely yours,

Attachment

87TH CONGRESS
1ST SESSION

H. R. 4510

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 17, 1961

Mr. POAGE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To provide a special program for feed grains for 1961.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 105 of the Agricultural Act of 1949, as
4 amended, is amended by adding the following new sub-
5 section:

6 “(c) Notwithstanding any other provision of law—

7 “(1) The level of price support for the 1961 crop
8 of corn shall be \$1.20 per bushel.

9 “(2) The level of price support for the 1961 crop
10 of oats, rye, barley, and grain sorghums shall be such
11 level as the Secretary determines is fair and reasonable

1 in relation to the level of price support for corn, taking
2 into consideration the feeding value of such commodity
3 in relation to corn and the other factors set forth in
4 section 401 (b) hereof.

5 “(3) The Secretary shall require as a condition of
6 eligibility for price support on the 1961 crop of corn,
7 grain sorghums, and any other feed grain which he may
8 designate that the producer shall participate in the
9 special agricultural conservation program for 1961 for
10 feed grains to the extent prescribed by the Secretary.”

11 SEC. 2. Section 16 of the Soil Conservation and Domes-
12 tic Allotment Act, as amended, is amended by adding the
13 following new subsection:

14 “(c) Notwithstanding any other provision of law—

15 “(1) The Secretary shall formulate and carry out a
16 special agricultural conservation program for 1961, with-
17 out regard to provisions which would be applicable to
18 the regular agricultural conservation program, under
19 which, subject to such terms and conditions as the Sec-
20 retary determines, conservation practice payments in
21 amounts determined by the Secretary to be fair and
22 reasonable shall be made to producers who divert acre-
23 age from the production of corn, grain sorghums, and

1 such other feed grains as the Secretary may designate,
2 to an approved conservation use.

3 “(2) Obligations under such program may be in-
4 curred in advance of appropriations therefor (i) for
5 payments in cash in an amount not exceeding \$500,000,-
6 000, and (ii) for payments-in-kind for diversion of
7 acreage, within such limits as the Secretary may re-
8 quire, in addition to that required to be diverted in order
9 to be eligible for price support. Payments-in-kind shall
10 be made through the issuance of certificates redeemable
11 by the Commodity Credit Corporation in accordance
12 with regulations prescribed by the Secretary for feed
13 grains or, at the option of the producer to whom the
14 certificate is issued, for cash. To the extent such cer-
15 tificates are redeemed for cash, Commodity Credit Cor-
16 poration shall sell a sufficient quantity of feed grains at
17 the market price to cover the cost of such cash re-
18 demptions.

19 “(3) There are hereby authorized to be appropri-
20 ated such amounts as may be necessary to enable the Sec-
21 retary to carry out this section 16 (c) . The Commodity
22 Credit Corporation is authorized to advance from its
23 capital funds such sums as may be necessary to pay

1 administrative expenses in connection with such pro-
 2 gram during the fiscal year ending June 30, 1961.”

3 SEC. 3. Notwithstanding any other provision of law, the
 4 Commodity Credit Corporation is authorized to sell any feed
 5 grain at market prices during the marketing year for the
 6 1961 crop of such feed grain.

87TH CONGRESS
 1ST SESSION

H. R. 4510

A BILL

To provide a special program for feed grains
 for 1961.

By Mr. POAGE

FEBRUARY 17, 1961

Referred to the Committee on Agriculture

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

Issued February 21, 1961
For actions of February 20, 1961
87th-1st, No. 29

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HIGHLIGHTS: House received Administration's depressed areas bill. House received from State Department proposed bill to extend Sugar Act. Senate received USDA proposed bill to provide additional funds for Public Law 480 program. Senate received Administration's feed grains bill. Sen. Mansfield introduced feed grains bill.

SENATE

1. FEED GRAINS. Received from the President a proposed bill "to provide a special program for feed grains for 1961"; to Agriculture and Forestry Committee (p. 2179). See Digest 28 for a summary of the proposal.
At the request of Sen. Mansfield permission was granted to print the President's message on feed grains as S. Doc. 12. p. 2202
2. SURPLUS COMMODITIES; FOREIGN TRADE. Received from this Department a proposed bill to provide an increase of \$2 billion in the authority under Title I of Public Law 480 for the calendar year 1961; to Agriculture and Forestry Committee. p. 2179

3. EDUCATION. Both Houses received the President's message on education (H. Doc. 92) (pp. 2175, 2244-50, 2284-5, 2286). The President stated that technological changes which have occurred in all occupations call for a review and reevaluation of the National Vocational Education Acts and that he was having an advisory body established, including a representative from this Department, to review and evaluate the current National Vocational Education Acts and to make recommendations for improving and redirecting the program.
4. SURPLUS FOOD. Sen. Symington commended the President's recent order for increased distribution of surplus foods to the needy and inserted a St. Louis newspaper article, "Urgent Plea for Food Made Here." p. 2205
Sen. Hart commended the President's recent announcement for the establishment of a pilot food stamp program and inserted resolutions he had received favoring the program. pp. 2224
5. FARM PROGRAM. Sen. Proxmire commended and inserted the text of Secretary Freeman's comments on the recent television program, "Washington Conversation." pp. 2207-10
Sen. Morse inserted an article by Douglas S. Harkness, Minister of Agriculture of Canada, discussing Canada's farm program. pp. 2262-5
6. SURPLUS GRAINS. Sen. Keating urged that CCC surplus grains be used to feed starving birds as a result of recent heavy snows and inserted a newspaper editorial favoring this proposal. pp. 2212-3
7. INTERNATIONAL TRAVEL. Passed with amendments S. 610, to provide for the establishment of a U. S. Travel Service in the Commerce Department to encourage foreign travel to this country. The bill includes a provision authorizing the use of foreign currencies obtained under the Public Law 480 program to finance the establishment and operation of travel offices and other activities authorized by the bill. pp. 2230-44
8. LAMB IMPORTS. Sen. Morse inserted a letter from the president of the Douglas County (Ore.) Livestock Assoc. favoring enactment of legislation to restrict the imports of live sheep and dressed lamb. p. 2265
9. WEATHER RESEARCH. Agreed to a motion by Sen. Long, La., requesting the House to return to the Senate for further consideration S. 681, to authorize the Secretary of Commerce to enter into contracts for the conduct of research in the field of meteorology. p. 2275
10. FOOD STAMP PLAN. Received a Wash. Legislature resolution urging that the pilot food stamp plan be expanded to include Washington. p. 2180
11. FORESTRY. Received an Idaho Legislature resolution opposing the dedication of additional lands in Idaho as wilderness areas. p. 2180
12. COTTON TEXTILE PRODUCTS. Received a S. C. Legislature resolution favoring enactment of legislation to reduce the import quotas of cotton textile products. p. 2183
13. STOCKPILING; SURPLUS COMMODITIES. Received from the Joint Committee on Reduction of Nonessential Federal Expenditures a report on Federal stockpile inventories as of Dec. 1960, including CCC commodity inventories. pp. 2185-92

SPECIAL FEED GRAIN PROGRAM FOR 1961

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A DRAFT OF A PROPOSED BILL ENTITLED "A BILL TO PROVIDE A
SPECIAL PROGRAM FOR FEED GRAINS FOR 1961"

FEBRUARY 20, 1961.—Referred to the Committee on Agriculture and Forestry
and ordered to be printed

THE WHITE HOUSE,
Washington, February 16, 1961.

HON. LYNDON B. JOHNSON,
President of the Senate,
U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: I am transmitting herewith a bill to provide a special program for feed grains for 1961. I urgently recommend to the Congress the enactment of this emergency program so that it can cover the 1961 crop.

The existing program has failed. It has resulted in the accumulation of a burdensome and dangerous surplus, mainly of commodities for which there is no adequate outlet even under our expanded programs of providing food for those in need. At the same time, it has failed to protect farm income, and it is threatening to drive down the prices farmers receive for hogs, cattle, poultry and eggs, and milk to disastrous levels. If this program is allowed to continue in effect for this year's crop, the stocks in Government hands will reach even more alarming proportions, a virtually unmanageable storage problem will be created, farm income will continue to suffer, and large amounts of Government funds will be needlessly expended. Immediate action

is required to prevent further deterioration of this situation. In order to be effective with respect to this year's crops, a new program should be authorized by March 1.

I believe that any legislation enacted should fit our overall goal to use our agricultural abundance to meet the needs of our people and at the same time provide a fair income for those who produce that abundance. We need to shift our production from commodities of which there is an unmanageable surplus to commodities for which there is a need, even as we curtail our production of those surplus commodities. The Secretary of Agriculture already has authority to take steps toward these goals with regard to some commodities, such as milk, soybeans, and cottonseed, pork, poultry and eggs. However, new legislation is needed for effective action with respect to corn and other feed grains. The legislation I am now recommending will fill this gap with the authority needed to round out an emergency program for this year in the feed grain sector of our farm economy.

Although this is an emergency program, it is consistent with our long-range objectives and would accomplish the following: (1) A moderate increase in farm income; (2) a saving of several hundred million dollars of Government funds; and (3) a holding down or reduction of surplus stocks to more manageable proportions. This will be done without any material effect upon consumer prices.

The Government now holds 2.7 billion bushels of feed grains. The investment in feed grains stands at the all-time high of nearly \$4 billion. The 1961 crop will soon be planted. By this fall, the Nation will be confronted once again with a shortage of space in which to store grain. The shortage may amount to the off-farm space required for as much as 200 to 250 million bushels if we fail to take any preventive action now. The storage problem will be further accentuated in 1962.

The legislative proposals submitted herewith (1) would provide that cooperators would receive a support price of \$1.20 a bushel for corn for 1961, and would receive supports for other feed grains in relation to those for corn; and (2) would authorize a special agricultural conservation program under which acreage previously planted to feed grains would be diverted from production for 1961. Unlike the present program under which a support price of \$1.06 a bushel is paid to all producers without regard to any limit on production, producers will not be eligible for price supports under this new program unless they cooperate in the special agricultural conservation program.

This emergency program covers only the 1961 crop. I intend to recommend to the Congress other legislation covering both wheat and feed grain crops for subsequent years.

There is attached hereto a letter from the Secretary of Agriculture setting forth the details of the program. It is important that it be accorded the prompt consideration of the Congress.

Sincerely,

JOHN F. KENNEDY.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, February 16, 1961.

Memorandum.

To: The President, The White House.

From: The Secretary of Agriculture.

DEAR MR. PRESIDENT: The emergency feed grain program for 1961 is described in detail below. This program will, I believe, achieve the objectives for the feed grain economy outlined in your letter transmitting proposed feed grain legislation to the Congress.

1. Each producer will be asked to shift to a soil conserving use 20 percent of the acreage he had planted, during the base period 1959-60, to corn, grain sorghums, or other feed grains. The Secretary will prescribe the use of these diverted acres for conservation purposes. Producers cooperating in the program will receive payments under the special conservation program equal to 60 percent of the gross value of a year's normal production on the diverted acres. A corn-grower in an area where the corn support price is the proposed national average of \$1.20 would compute his payment by multiplying 60 percent of the support price, 72 cents, by his normal corn yield. If his yield was 50 bushels an acre, his payment for shifting 20 percent of his corn acreage would be 50 times 72 cents, or \$36 per acre.

2. The cooperating producer will be eligible, at his option, to divert additional feed grain acreage into a soil conserving use. For this he will be paid in kind from Government stocks of grain at the rate of two-thirds of his normal yield per acre. These payments-in-kind will be made by issuing certificates which the producer can redeem in grain or in cash at his option. If redeemed in cash, the Commodity Credit Corporation will sell enough grain on the market to cover the cost. The producer can receive these payments-in-kind for shifts up to 20 percent of his feed grain acreage, making a total shift of up to 40 percent.

3. A producer who cooperates by shifting at least 20 percent of his acreage from feed grain production will, in addition to the special conservation payment he receives, be eligible for price supports at a national average rate of \$1.20 a bushel for corn and related rates for other feed grains. Producers who do not cooperate will not be eligible for price supports on corn or other feed grains.

4. The Commodity Credit Corporation would be authorized to sell during the marketing year for the 1961 crop, at current market prices, as much grain as the successful management of this feed grain program requires. The knowledge that these stocks could be placed on the market would encourage producers to participate in the program rather than gamble on market prices.

5. Support prices for soybeans will be raised to \$2.30 per bushel and the support price for cottonseed raised to a competitive relationship with soybean support prices. This will encourage the diversion of a part of the current feed grain acreage to soybean production. World supplies of high protein meals and vegetable oils are in short supply and the increase in soybean production achieved by the higher price supports can be used to meet current world needs.

The estimated cost to the Government of the conservation payments under this program is from \$400 to \$500 million. There would be an outlay also for payments-in-kind, but these would be more than

counterbalanced in time by savings made possible by reducing stocks that require expensive storage and by reducing production of grain that would be eligible for price support loans if produced. There would also be some outlay for price support loans, but, with a reasonably high degree of cooperation among farmers, total feed grain production would be brought more nearly into line with demand so that prices will rise and Government stocks will be absorbed in the market. Thus, the total estimated cost of the program in the long run is only the cost of the conservation practice payments—\$400 to \$500 million. This would replace the estimated expenditures under the existing program of \$1.5 to \$1.6 billion of which we could expect to recover eventually only \$500 million. The net saving under the proposed special program as compared with the existing program would be in the order of \$500 million.

The case for the proposed special program, however, does not rest on estimated savings regardless of how important those may be. Other reasons are impelling.

The gross income of the average feed grain producer would be increased substantially under this program and his net income even more.

In addition, the wasteful buildup of feed grain stocks would be brought to an end, thus alleviating an acute shortage of storage space in the fall of 1961 and avoiding a needless further increase in storage costs. Present Government holdings of feed grains would also be reduced to some extent. Consumer prices will not be affected measurably.

A draft of appropriate legislation to authorize this program is attached. I urge the Congress to enact this legislation speedily. I also respectfully urge the Congress not to complicate the consideration of this legislation by coupling other matters with it and thus inviting delay. Time is of the essence in this matter.

The people are looking to us to find solutions to some of the problems plaguing American agriculture. They would not look kindly upon a failure to avail ourselves of an opportunity to take what is so plainly a forward step.

Sincerely yours,

ORVILLE L. FREEMAN.

Attachment.

A BILL To provide a special program for feed grains for 1961

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection:

“(c) Notwithstanding any other provision of law:

“(1) The level of price support for the 1961 crop of corn shall be \$1.20 per bushel.

“(2) The level of price support for the 1961 crop of oats, rye, barley, and grain sorghums shall be such level as the Secretary determines is fair and reasonable in relation to the level of price support for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors set forth in section 401(b) hereof.

“(3) The Secretary shall require as a condition of eligibility for price support on the 1961 crop of corn, grain sorghums, and any other feed grain which he may designate that the producer shall participate in the special agricultural conservation program for 1961 for feed grains to the extent prescribed by the Secretary.”

SEC. 2. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

“(c) Notwithstanding any other provision of law:

“(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1961, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation practice payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn, grain sorghums, and such other feed grains as the Secretary may designate, to an approved conservation use.

“(2) Obligations under such program may be incurred in advance of appropriations therefor (i) for payments in cash in an amount not exceeding \$500 million, and (ii) for payments-in-kind for diversion of acreage, within such limits as the Secretary may require, in addition to that required to be diverted in order to be eligible for price support. Payments-in-kind shall be made through the issuance of certificates redeemable by the Commodity Credit Corporation in accordance with regulations prescribed by the Secretary for feed grains or, at the option of the producer to whom the certificate is issued, for cash. To the extent such certificates are redeemed for cash, Commodity Credit Corporation shall sell a sufficient quantity of feed grains at the market price to cover the cost of such cash redemptions.

“(3) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(c). The Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1961.”

SEC. 3. Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized to sell any feed grain at market prices during the marketing year for the 1961 crop of such feed grain.



87TH CONGRESS
1ST SESSION

S. 993

IN THE SENATE OF THE UNITED STATES

FEBRUARY 20, 1961

Mr. MANSFIELD (for Mr. ELLENDER) (by request) introduced the following bill;
which was read twice and referred to the Committee on Agriculture and
Forestry

A BILL

To provide a special program for feed grains for 1961.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 105 of the Agricultural Act of 1949, as amend-
4 ed, is amended by adding the following new subsection:

5 “(c) Notwithstanding any other provision of law—

6 “(1) the level of price support for the 1961 crop
7 of corn shall be \$1.20 per bushel;

8 “(2) the level of price support for the 1961 crop
9 of oats, rye, barley, and grain sorghums shall be such
10 level as the Secretary determines is fair and reasonable
11 in relation to the level of price support for corn, taking

87TH CONGRESS
1ST SESSION

S. 993

A BILL

To provide a special program for feed grains
for 1961.

By Mr. ELANDER

FEBRUARY 20, 1961

Read twice and referred to the Committee on
Agriculture and Forestry

duty in the discharge of his very heavy responsibilities.

I am glad to join in the tributes paid to him this day.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communications and letter, which were referred as indicated:

SPECIAL PROGRAM FOR FEED GRAINS FOR 1961— COMMUNICATION FROM THE PRESIDENT

A communication from the President of the United States, transmitting a draft of proposed legislation to provide a special program for feed grains for 1961, which, with the accompanying papers, was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

FEBRUARY 16, 1961.

Hon. LYNDON B. JOHNSON,
President of the Senate,
U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: I am transmitting herewith a bill to provide a special program for feed grains for 1961. I urgently recommend to the Congress the enactment of this emergency program so that it can cover the 1961 crop.

The existing program has failed. It has resulted in the accumulation of a burdensome and dangerous surplus, mainly of commodities for which there is no adequate outlet even under our expanded programs of providing food for those in need. At the same time, it has failed to protect farm income, and it is threatening to drive down the prices farmers receive for hogs, cattle, poultry and eggs, and milk to disastrous levels. If this program is allowed to continue in effect for this year's crop, the stocks in Government hands will reach even more alarming proportions, a virtually unmanageable storage problem will be created, farm income will continue to suffer, and large amounts of Government funds will be needlessly expended. Immediate action is required to prevent further deterioration of this situation. In order to be effective with respect to this year's crops, a new program should be authorized by March 1.

I believe that any legislation enacted should fit our overall goal to use our agricultural abundance to meet the needs of our people, and at the same time provide a fair income for those who produce that abundance. We need to shift our production from commodities of which there is an unmanageable surplus to commodities for which there is a need, even as we curtail our production of those surplus commodities. The Secretary of Agriculture already has authority to take steps toward these goals with regard to some commodities, such as milk, soybeans and cottonseed, pork, poultry and eggs. However, new legislation is needed for effective action with respect to corn and other feed grains. The legislation I am now recommending will fill this gap with the authority needed to round out an emergency program for this year in the feed grain sector of our farm economy.

Although this is an emergency program, it is consistent with our long-

range objectives and would accomplish the following: (1) a moderate increase in farm income; (2) a saving of several hundred million dollars of Government funds; and (3) a holding down or reduction of surplus stocks to more manageable proportions. This will be done without any material effect upon consumer prices.

The Government now holds 2.7 billion bushels of feed grains. The investment in feed grains stands at the alltime high of nearly \$4 billion. The 1961 crop will soon be planted. By this fall, the Nation will be confronted once again with a shortage of space in which to store grain. The shortage may amount to the off-farm space required for as much as 200 to 250 million bushels if we fail to take any preventive action now. The storage problem will be further accentuated in 1962.

The legislative proposals submitted herewith (1) would provide that cooperators would receive a support price of \$1.20 a bushel for corn for 1961, and would receive supports for other feed grains in relation to those for corn; and (2) would authorize a special agricultural conservation program under which acreage previously planted to feed grains would be diverted from production for 1961. Unlike the present program under which a support price of \$1.06 a bushel is paid to all producers without regard to any limit on production, producers will not be eligible for price supports under this new program unless they cooperate in the special agricultural conservation program.

This emergency program covers only the 1961 crop. I intend to recommend to the Congress other legislation covering both wheat and feed grain crops for subsequent years.

There is attached hereto a letter from the Secretary of Agriculture setting forth the details of the program. It is important that it be accorded the prompt consideration of the Congress.

Sincerely,

JOHN F. KENNEDY.

A communication from the President of the United States, transmitting a draft of proposed legislation to improve benefits under the old-age, survivors, and disability insurance program through increasing the minimum benefits and aged widow's benefits and making additional persons eligible for benefits under the program, and for other purposes, which, with the accompanying paper, was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., February 20, 1961.
The Honorable LYNDON B. JOHNSON,
President of the Senate,
U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: I am transmitting herewith a bill to make five needed improvements in the social security program.

They will not only help to meet pressing social needs, but if promptly enacted these improvements will give our economic recovery program needed impetus. They will result in placing increased purchasing power in the hands of almost 5 million people. These people

are among the lowest income groups in the country.

In addition, the legislation will improve the flexibility and effectiveness of our social security program over the long run and make it better able to contribute to the economic strength of the Nation and the welfare and security of our people.

The enclosed letter from the Secretary of Health, Education, and Welfare describes the legislation in more detail.

Sincerely,

JOHN F. KENNEDY.

AMENDMENT OF TITLE I OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend title I of the Agricultural Trade Development and Assistance Act of 1954 (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of the Interior for the Bureau of Indian Affairs for "Education and welfare services," for the fiscal year 1961, had been reapportioned on a basis indicating a need for a supplemental estimate of appropriation; to the Committee on Appropriations.

NOTICE OF PROPOSED DISPOSITION OF CERTAIN QUARTZ CRYSTALS

A letter from the Acting Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a copy of a notice to be published in the Federal Register of a proposed disposition of approximately 100,000 pounds of subgrade crude quartz crystals now held in the national stockpile (with an accompanying paper); to the Committee on Armed Services.

REPORT ON DISPOSAL OF FOREIGN EXCESS PROPERTY

A letter from the Director, Office of Administrative Operations, U.S. Department of Commerce, reporting, pursuant to law, on foreign excess property disposed of by that Department during the calendar year 1959; to the Committee on Government Operations.

REPORT ON PERSONAL AND REAL PROPERTY RECEIVED BY OR DISPOSED OF TO PUBLIC HEALTH AND EDUCATIONAL INSTITUTIONS

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on personal and real property received by or disposed of to public health and educational institutions, for the calendar quarter, October 1 through December 31, 1960 (with an accompanying report); to the Committee on Government Operations.

REPORT OF LIBRARIAN OF CONGRESS

A letter from the Librarian of Congress, transmitting, pursuant to law, his report for the fiscal year ended June 30, 1960 (with accompanying papers); to the Committee on Rules and Administration.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Acting Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Com-

mittee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. JOHNSTON and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the House of Representatives of the State of Washington; to the Committee on Agriculture and Forestry:

"Whereas Washington State is presently suffering from extensive unemployment in many areas causing distress to families of low income; and

"Whereas President Kennedy has greatly expanded the surplus food program as an aid to low-income families as well as a factor in the solution of the farm surplus problem; and

"Whereas certain Democratic legislators of this State have worked for a number of years in an effort to obtain surplus foods for the needy and the unemployed, and on February 2, 1961, the director of agriculture was directed by the Governor to select a community within the State for one of the pilot programs for distribution of surplus foods through a food stamp plan, pointing out that recent reports of the employment security department showed Washington State third highest in unemployment of covered workers, with several counties showing rates from 25 to 33 percent unemployed of all covered workers; Now, therefore, be it

"Resolved, That the House of Representatives of the 37th Legislature of the State of Washington, do hereby urge the extension of the stamp plan pilot projects to include the State of Washington; and be it further

"Resolved, That copies of this resolution be transmitted by the secretary of state immediately to the Honorable John F. Kennedy, President of the United States, the Honorable Orval Freeman, Secretary of Agriculture, the Secretary of the U.S. Senate, the Clerk of the U.S. House of Representatives, and to Senator Warren G. Magnuson, Senator Henry M. Jackson, and to each Member of the U.S. Congress from the State of Washington.

"S. R. HOLCOMB,

"Chief Clerk, House of Representatives."

A joint resolution of the Legislature of the State of Colorado; to the Committee on Banking and Currency:

"HOUSE JOINT MEMORIAL 7

"Joint memorial to the Congress of the United States to restore gold and silver to their time-honored position as basic monetary metals not only for international exchange but also for the proper conduct of business transactions within the United States; to restore rights of the American people to acquire, possess and dispose of gold within and without the United States; and to discontinue the sale and distribution of both the precious metals at less than present-day costs of production for uses other than monetary and to encourage, by immediate congressional action, the production of both these metals within the United States

"Whereas the international situation has created problems which have placed the United States in a real dilemma as far as our international, economic, financial, and other relationships are concerned; and

"Whereas we have a dollar of two standards: One in which the American citizen cannot demand gold for his paper dollars and the other in which the foreigner can demand gold for his paper dollars and other obligations; and

"Whereas the heavy international drain on our gold supply, coupled with the recent increase in speculative buying in world markets, suggests a growing lack of confidence in the stability of the dollar both at home and abroad; and

"Whereas the price of gold has been artificially fixed at \$35 per ounce since 1935, and continued at that price since that date, although costs of mining and all other items, including taxes, have greatly increased since that time; and

"Whereas the drop in gold reserves has been accompanied by a steady dissipation of treasury 'free' silver supplies through sales to industrial users of the metal at prices below these prevailing in world markets; and

"Whereas the sale to industrial users of gold and treasury free silver has been continued to the detriment of the best interests of the American people and has accentuated the problem of monetary policy and also effectively maintained an artificial ceiling on the production of both precious metals to the disadvantage of domestic producers who have in the main been forced out of business by reason of this unfortunate policy on the part of the United States Government in its treatment of domestic producers of gold and silver; and

"Whereas the worldwide responsibilities which this Nation has assumed require that we not only adhere to a sound hard-money policy and maintain a currency which is virtually impregnable to the continuing stresses of current international unrest and dissension; Now, therefore, be it

"Resolved by the House of Representatives of the 43d General Assembly of the State of Colorado (the Senate concurring herein), That it respectfully memorializes the Congress of the United States to reassert its constitutional control over our international monetary policies and restore the American dollar to its historic place among the currencies of the world by proceeding at the earliest possible date to enact legislation that will:

"1. Reaffirm the historical and traditional American dollar to its historical place by proper recognition of realistic prices for gold and silver as monetary metals and fixing a current ratio at which the dollar and gold will be made fully convertible and establishing the procedures for orderly restoration of the gold standard.

"2. Abolish all restrictions on the purchase, sale, and ownership of gold by citizens of the United States.

"3. Terminate at the earliest possible date all sales of gold and silver to industrial and commercial users and require the Treasury of the United States to retain all of its monetary stocks of both precious metals exclusively for monetary purposes for the proper protection of the American people.

"4. Amend the act of July 31, 1946, to eliminate the seigniorage charge of 30 percent on purchases of silver and help stimulate production of this precious metal, thus assuring a continued domestic supply for our Nation.

"5. Give proper recognition to the increased costs involved in the production of gold in this country by agreeing on a price which should be paid to domestic producers for newly mined gold on a realistic basis.

"6. Assist in executive action to encourage and stimulate other governments to restore gold and silver coinage and discontinue the shackles of licensing requirements for the exchange of gold and silver on the world markets and as part of our foreign policy, to encourage the utilization of these time-honored precious metals as circulating mediums and standards of value; and be it further

"Resolved, That a copy of this memorial be transmitted to the President of the United States, to the President of the U.S. Senate and to the Speaker of the U.S. House of Representatives, and to the Senators and Con-

gressmen representing the State of Colorado in the Congress of the United States.

"ALBERT S. TOMSIE,

"Speaker of the House of Representatives.

"GENE MANZANARES,

"Chief Clerk of the House of Representatives.

"ROBERT L. KNOWS,

"President of the Senate.

"LUCILLE L. SHUSTER,

"Secretary of the Senate."

A joint resolution of the Legislature of the State of Idaho; to the Committee on Interior and Insular Affairs:

"HOUSE JOINT MEMORIAL 6

"We, your memorialists, the Legislature of the State of Idaho, respectfully represent that:

"Whereas the economy of the State of Idaho is based upon its agriculture, lumber, mining, sheep and cattle industries, and the use of its waters for irrigation and hydroelectric power; and

"Whereas approximately two-thirds of the land area of the State of Idaho is federally owned and contains approximately 3 million acres set aside for primitive and wilderness areas; and

"Whereas these designations are restrictive to full utilization and deny to the natural resources industries of the State of Idaho the right to wisely develop the natural resources contained in these large primitive and wilderness areas of the State and further deny ready access to these areas to millions of American citizens, all to the detriment of said industries and to the people of the State of Idaho; and

"Whereas one of the great potential industries of the State of Idaho is its tourist trade and wildlife attractions: Now, therefore, be it

"Resolved by the House of Representatives, State of Idaho (the Senate concurring), That we are most respectfully opposed to the dedication of additional lands as primitive or wilderness areas in the State of Idaho and respectfully request that all primitive and wilderness areas in the State of Idaho be reviewed and studied with the view of eliminating all lands which have a higher or greater multiple use potential than that of single use dedication as primitive or wilderness; and be it further

"Resolved, That we oppose Federal enactment of future wilderness legislation embodying the principle of locked-up areas for single purpose use which would deny to the natural resources industries the right to wisely develop such natural resources and would also be to the detriment of said industries and to the people of the State of Idaho; and be it further

"Resolved, That the present agencies administering all Federal lands do so with the view of developing the full multiple use of the lands to further the general welfare and the economy of the State of Idaho; and be it further

"Resolved, That the secretary of state of the State of Idaho be authorized and he is hereby directed to immediately forward certified copies of this memorial to the Senate and the House of Representatives of the United States of America, the Secretary of the Interior, the Secretary of Agriculture, and to the Senators and Representatives in Congress from this State; and be it further

"Resolved, That the secretary of state of the State of Idaho be authorized and he is hereby directed to immediately forward certified copies of this memorial to the speaker of the house and to the president of the senate of the following States, Washington, Oregon, California, Montana, Utah, Wyoming, Colorado, Nevada, Arizona, New Mexico, North Dakota, and South Dakota, and that these States are hereby urged to take similar action in their respective legislative bodies."

House unless the bill and the report accompanying it conform with this rule.

"(6) For the purposes of this subsection, the amount of expenditures shall be determined upon a checks-issued basis.

"(7) As used in this subsection (c), the term 'expenditure authorization' shall apply to all current appropriations, permanent appropriations, contract authorizations, authorizations to expend from public or corporate debt receipts, cancellation of obligations of Government agencies to the Treasury, reappropriations, reauthorizations, and any other authorizations to withdraw moneys from the Treasury of the United States. The term 'expenditure authorization' shall not apply to appropriations of trust funds, deposit funds, transactions involving public debt retirement, or appropriations made solely for payment of refunds and drawbacks.

"(8) The Appropriations Committees of the two Houses may hold hearings simultaneously on each general expenditure authorization bill or may hold joint hearings thereon.

"(d) The general expenditure authorization bill for each fiscal year, and each deficiency and supplemental general expenditure authorization bill containing expenditure authorizations available for expenditure during such fiscal year shall at the time the bill is reported to the House of Representatives and to the Senate contain in the body of the bill or in the preamble thereto, as the respective committees may deem appropriate, a current estimate by the Secretary of the Treasury of the overall Federal receipts for such fiscal year."

SEC. 2. (a) The Senate, recognizing the necessity for an amendment to its Standing Rules in order to make effective the amendment to the joint rule made by the first section of this resolution, hereby adopts the provisions of subsection (b) of this section as an exercise of its rulemaking power.

(b) Effective on the first day of the regular session of the Eighty — Congress, but only if prior thereto this resolution is adopted by both Houses of Congress, subsection (b) of rule XXV of the Standing Rules of the Senate is amended to read as follows:

"(b) Committee on Appropriations, to consist of twenty-seven Senators, to which Committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Expenditure authorizations. As used in this paragraph, the term 'expenditure authorizations' means current appropriations, permanent appropriations, contract authorizations, authorizations to expend from public or corporate debt receipts, cancellation of obligations of Government agencies to the Treasury, reappropriations, reauthorizations, and any other authorizations to withdraw moneys from the Treasury of the United States except authorizations to withdraw moneys from the Treasury of the United States for the payment of private claims."

The statement presented by Mr. BYRD of Virginia is as follows:

STATEMENT BY SENATOR BYRD OF VIRGINIA

Congress has lost control over Federal expenditures, and it acts on spending legislation without providing itself with means of knowing whether it is creating deficit or surplus.

Under present legislative procedures vast backdoor spending is authorized outside of the appropriation process; consideration of spending authorizations which do go through the appropriation process is splintered in a dozen separate bills; and Congress does not effectively control the annual rate of expenditures.

In order to recapture congressional control over Federal expenditures I am introducing

a concurrent resolution to provide for a general expenditure authorization bill. The resolution would require: (1) Action on the Federal expenditure budget as a whole, as well as in segments; (2) control of expenditures as well as appropriations; and (3) enactment of the spending side of the budget in full view of latest revenue estimates revised at each stage of the legislative process.

Under terms of the resolution this would be accomplished by (a) bringing all spending authorizations under jurisdiction of the Appropriations Committee; (b) acting on all new and additional spending authority in one bill (with provision, of course, for necessary supplemental and deficiency bills); (c) requiring annual expenditures limitation on each item in the bill; (d) providing that committee reports carry tabular presentation of both expenditures, and expenditure authorizations allowed under the bill; and (e) requiring the latest revenue estimate by the Secretary of the Treasury at each stage of the legislative procedure on the bill.

These are simple fundamental requirements for orderly and intelligent action on fiscal legislation. They are not met by current procedures which were established before the days of multibillion dollar budgets and multiyear appropriations and other expenditure authorizations.

The Federal debt is now \$290 billion. We have been on a deficit financing basis for 24 of the past 30 years. We are certain to be on a deficit financing basis in the current year and next fiscal year. Need for major reform in congressional procedures for enactment of spending legislation is obvious.

CERTAIN WORKS OF ART IN SUBWAY TO NEW SENATE OFFICE BUILDING

Mr. CURTIS. Mr. President, the imbalance in trade is the result of many factors. Some of them are within the jurisdiction of this body. Others relate to a rising economy and an advancing technology in many nations of the free world. Several things need to be done in this area within the control of the Congress. No one simple solution can, like the wave of a magic wand, solve the total problem. But, diligence does require that we overlook no facet of the problem which can contribute to its ultimate solution.

I applaud the bipartisan effort which has brought to the floor this bill to strengthen our foreign and domestic commerce by encouraging foreign tourists to visit the United States. Any increase in these visitations will narrow the dollar gap. First hand knowledge of our attainments, our bountiful life, and our tremendous enterprise will serve to strengthen bonds of friendship and to elevate the prestige of this Nation. You will recall that, a few months ago, our prestige was alleged to be slipping among people of Western Europe who have never seen our great land. We take note of the fact that prestige flourishes in a moral climate—we have learned, in the past 15 years, that apparently prestige is not bought by shipping billions abroad.

The State of Nebraska has inaugurated a program to stimulate travel into Nebraska by foreign tourists. We have much, in Nebraska, to demonstrate that which makes America great. Our office of tourism, if I may call it that, will

be guided by John Kelley, a native Nebraskan and public relations expert who worked in the House of Representatives as administrative assistant to former Congressman Don McGinley. The facilities of our State will be available to entertain and comfort travelers from foreign lands.

On this occasion I will take the opportunity to submit a resolution which will authorize the several States to fashion works of art for the millions of visitors who explore Capitol Hill each year. My proposal affords to the 50 States an opportunity to create works of art depicting scenic beauty or historical sites in the several States along the well-illuminated and spacious walls of the 1,400-foot subway between the New Senate Office Building and the Capitol Building. These objects of art will be done at the expense of each contributing State, and space will be allocated by the Architect of the Capitol, with the approval of the Senate Committee on Rules and Administration.

The most recent estimate indicates that 5 million persons visit the Capitol Building each year. We can conjecture the numbers visiting the Senate buildings—certainly we would be amazed at an accurate tabulation of the persons traveling each year through this 1,400-foot tunnel. The completion of this project would be an invitation to these 5 million to visit the States of our Union. With the cooperation of each State, this rather drab corridor can become a "subway of the States." Its beauty could enhance the utilitarian purpose of this corridor, and make it another delight for those who come to see our National Capitol. Many of us who depart this Chamber frayed after a trying day might rekindle a zest for comradeship, and be helped in leaving behind our lesser natures in this Chamber of contention.

I am in hopes that the Committee on Rules and Administration, on which it is my privilege to serve, can present to this body under this resolution a splendid opportunity to give even more charm and graciousness to our beloved and beautiful National Capitol.

Mr. President, my resolution is very short. It provides as follows:

Resolved, That the Architect of the Capitol, with the approval of the Committee on Rules and Administration, is authorized (1) to allocate among the several States the available wall space in the subway between the New Senate Office Building and the Capitol, (2) to invite each State to furnish without cost to the United States one or more paintings depicting its scenic beauties or historical sites to be placed in the space so allocated to it, and (3) to accept and cause to be placed in such space any painting or paintings so furnished which he determines to be suitable for such purpose.

I send this resolution to the desk for appropriate reference.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 91) was referred to the Committee on Rules and Administration.

AMENDMENT OF SMALL BUSINESS ACT—ADDITIONAL COSPONSOR OF BILL

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the name of the Senator from Michigan [Mr. HART] may be added as an additional cosponsor of the bill (S. 836) to amend the Small Business Act, and for other purposes, which I introduced—for myself, Mr. SPARKMAN, and Mr. CAPEHART—on February 9, 1961.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEALTH INSURANCE BENEFITS ACT OF 1961—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of February 13, 1961, the names of Senators NEUBERGER, MORSE, LONG of Missouri, MOSS, and PASTORE were added as additional cosponsors of the bill (S. 909) to provide for payment for hospital services, skilled nursing home services, and home health services furnished to aged beneficiaries under the old-age, survivors, and disability insurance program, and for other purposes, introduced by Mr. ANDERSON (for himself and other Senators) on February 13, 1961.

PRINTING OF PRESIDENT'S MESSAGE ON FEED GRAINS AS A SENATE DOCUMENT (S. DOC. NO. 12)

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President's message on feed grains be printed as a Senate document.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

EXTENSION OF TIME FOR JUDICIARY COMMITTEE TO FILE REPORTS

Mr. MANSFIELD. Mr. President, on behalf of the Committee on the Judiciary, I ask unanimous consent that the time for the filing of reports pursuant to Senate Resolution 226, and Senate Resolutions 231 through 241, of the 86th Congress, be extended to March 31, 1961. This request concerns annual reports of certain subcommittees of the Committee on the Judiciary.

The PRESIDING OFFICER. Without objection—

Mr. DIRKSEN. Mr. President, reserving the right to object, I merely wish to state that approximately 12 reports are involved. Some of them are very substantial and rather lengthy; and it does take time for both the majority reports and the minority views to be presented adequately. That is the real reason for the requested extension of time. So I have no objection.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

EXTENSION OF TIME FOR COMMITTEE ON LABOR AND PUBLIC WELFARE TO FILE REPORT

Mr. MORSE. Mr. President, on behalf of the Senator from New Jersey [Mr. WILLIAMS], I ask unanimous consent that the filing of the report by the Committee on Labor and Public Welfare called for in Senate Resolution 267, 86th Congress, 2d session, be extended from February 21, 1961, to March 15, 1961.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE OF HEARING ON ASSISTANT-ATTORNEYS-GENERAL-DESIGNATE

Mr. JOHNSTON. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearings have been scheduled for Monday, February 27, 1961, at 2:30 p.m., in room 2228, New Senate Office Building, before the Committee on the Judiciary, on the following:

Ramsey Clark, of Texas, an Assistant-Attorney-General-designate.

Herbert J. Miller, Jr., of Maryland, an Assistant-Attorney-General-designate.

Lee Loevinger, of Minnesota, an Assistant-Attorney-General-designate.

At the indicated time and place persons interested in the hearings may make such representations as may be pertinent.

NOTICE OF HEARING ON NOMINATION OF BURKE MARSHALL, OF MARYLAND, TO BE AN ASSISTANT ATTORNEY GENERAL

Mr. JOHNSTON. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, March 1, 1961, at 10:30 a.m., in room 2228, New Senate Office Building, on the nomination of Burke Marshall, of Maryland, to be an Assistant Attorney General, vice Harold R. Tyler, Jr., resigned.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. SYMINGTON:

Speech entitled "Political Lag—Enemy of Freedom," delivered by Senator CLARK at Therese M. Loeb Memorial lecture, February 15, 1961.

Speech entitled "Another Loudoun Lad Moves West: the Story of William Jewell," delivered by Hon. Wilbur C. Hall, of recent date.

By Mr. BYRD of Virginia:

Civil War Centennial address by Senator BYRD of Virginia, together with excerpts

from the booklet entitled "Virginia's Opportunity," expressing reasons for and the purpose of the Civil War Centennial.

By Mr. WILEY:

Excerpts from address by him delivered over Wisconsin radio stations concerning economic problems.

By Mr. BYRD of West Virginia:

Statement by him at public hearing on residual fuel oil conducted by Secretary of the Interior Stewart L. Udall, Department of the Interior Auditorium, on February 20, 1961.

Statement by Michael F. Widman, Jr., assistant to the president, United Mine Workers of America, at oil import hearing, Department of the Interior, February 20, 1961.

By Mr. JOHNSTON:

Tribute to the late Honorable Claude R. McMillan by the Honorable Wilton E. Hall, published in the Anderson, (S.C.) Independent of February 15, 1961.

By Mr. CANNON:

Editorial entitled "A Review—Now Needed: A Plan," written by William Leavitt, associate editor, Air Force/Space Digest, and published in Air Force magazine for February 1961.

By Mr. PROXMIRE:

Editorial entitled "President Kennedy's Speech," published in the Appleton (Wis.) Post-Crescent of January 21, 1961, dealing with President Kennedy's inaugural address.

Editorial entitled "Governor Nelson Recognizes the Urban Problem," published in the Appleton (Wis.) Post-Crescent of January 21, 1961.

Article entitled "Honest Dealing is Best Policy for Company, Regalware Says," published in the February 1961 issue of the Allied Industrial Worker, dealing with the problems of labor-management relations.

By Mr. CARLSON:

Editorial entitled "Kansas Farming Flourishes," published in a recent edition of the El Dorado (Kans.) Times.

Article entitled "Lovely Kansas," written by Roscoe Fleming, and published in the Denver Post of February 14, 1961.

By Mr. MUNDT:

Article entitled "A Sound Proposal," written by George Peck and released February 8, 1961, dealing with electoral college reform.

Article entitled "Kennedy's Crying Towel Can Impair Confidence," written by J. A. Livingston and published in a recent issue of the Washington Post.

By Mr. RANDOLPH:

Article entitled "Higher Education Is a National Problem," written by Senator CLARK and published in current issue of the Saturday Review.

By Mr. BOGGS:

Article entitled "In Puzzling Traffic Situations, Do You Do the Right Thing?" written by Ed Fales, and published recently in the Sunday supplement Parade, covering 10 puzzling traffic situations.

By Mr. BIBLE:

Essay entitled "The Voice of America," written by Ross Barker, of Reno, Nev.

By Mr. MAGNUSON:

Articles written by Adm. William A. Dolan, Jr., commander, Puget Sound Naval Shipyard, on the subject "Heart and Sinew of Our American Heritage."

By Mr. SCHOEPEL:

News article entitled "Press Share in TV Opposed in Britain," published in the New York Times of February 16, 1961.

By Mr. KEATING:

Statement by School Board of East Greenbush, N.Y., on the subject "The Measure of Education."

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OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
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HIGHLIGHTS: House subcommittee voted to report feed grains bill. Senate received and debated merits of President's natural resources message. Sen. Williams, Del., criticized soil bank contract. Senate confirmed Duncan and Welch nominations. Senate received nomination of Clapp to be REA Administrator.

SENATE

1. NATURAL RESOURCES. Received the President's message on natural resources conservation (p. 2467). See Digest 32 for a summary of the message.

Sen. Gruening commended the message as "more complete than any preceding outline for resource development, and proposes to go further than did his enlightened predecessors." pp. 2480-1

Sen. Goldwater criticized the message as being "a mish-mash of distortion and political propaganda" and inserted a compilation by Sen. Mundt, "Accomplishments of the Republican Administration in natural resources and conservation, 1953-60." Sen. Dirksen defended the previous Administration's record on natural resource development. pp. 2493-6

Sen. Engle commended the message and urged enactment of legislation to implement the President's recommendations. pp. 2526-7

Sen. Moss commended the message and urged Congress "to take vigorous action at this session to begin to meet our natural resource crisis." p. 2527

Sen. Bennett charged that the message was "one of the most politically oriented ever presented to Congress" and inserted a statement on natural resources by former Vice President Nixon, "Summary of Eisenhower Record." pp. 2534-41

Sens. Smathers and Goldwater debated the merits of the message. pp. 2543-5

Sen. Kerr inserted an Okla. Legislature resolution favoring greater development of our natural resources. p. 2458

2. SOIL BANK. Sen. Williams, Del., criticized a soil bank contract whereby a person "purchased a 6,960-acre ranch in Colorado for a total cost of \$139,200, and then, through subleasing arrangements, placed 3,879 acres of this same land under a 10-year contract with the conservation reserve program, wherein he will, over the 10-year period, collect from the Government \$271,000, or \$131,800 more than the entire purchase price of the whole ranch." He charged that this "is a glaring illustration of what can be expected under any program designed to pay a man not to work." pp. 2473-4
3. NOMINATIONS. Confirmed the nominations of John P. Duncan and Frank J. Welch to be Assistant Secretaries of Agriculture (p. 2524). The nominations were reported earlier by the Agriculture and Forestry Committee (p. 2455).
Received the nomination of Norman M. Clapp to be REA Administrator. p. 2545
4. WILDERNESS PRESERVATION. Sen. Anderson announced that hearings will be held by the Interior and Insular Affairs Committee Feb. 27 and 28 on legislation to provide for the establishment of wilderness areas, and he inserted two newspaper editorials on this matter. pp. 2477-8
5. FORESTRY. Sen. Talmadge inserted a magazine article on the future prospects for forestry and forest industries in the South, "Are We Planting Too Many Trees?". pp. 2481-3
6. FOREIGN AFFAIRS. The Committee on Rules and Administration reported a resolution to authorize printing as a Senate Document the report by Sen. Ellender on U. S. foreign relations. pp. 2458-9
Sen. Wiley urged that the United Nations form a World Resources Board to study and make recommendations for better utilization of human, agricultural, industrial, and technological resources of the world. p. 2475
Sen. Goldwater praised the American Institute for Foreign Trade for its work of training young Americans for careers abroad with U. S. international business firms and Government agencies, and suggested that its success might be studied by those proposing a peace corps program. pp. 2541-2
7. ELECTRIFICATION. Sen. Wiley inserted a Chippewa Valley Electric Cooperative resolution urging greater cooperation in the development of hydro-electric facilities. p. 2458
8. RESEARCH. The Government Operations Committee reported a resolution to authorize the printing of additional copies of S. Doc. 113, 86th Congress, "Documentation, Indexing, and Retrieval of Scientific Information." p. 2458
9. FOREIGN CURRENCIES. Sen. Hayden submitted a report on the amount of foreign currencies used during 1960 by the Senate Public Works Committee. pp. 2501-2
10. PRINTING. Received a GAO audit report on the Government Printing Office for the fiscal year 1960. p. 2457
11. ADJOURNED until Tues., Feb. 28. p. 2545

HOUSE

12. FEED GRAINS. The "Daily Digest" states that the Livestock and Feed Grains Subcommittee of the Agriculture Committee "met in executive session and ordered favorably reported to the House/(amended); to provide a special program for feed grains for 1961." p. D94

Daily Digest

HIGHLIGHTS

Senate confirmed numerous nominations to high-ranking positions in the executive branch.

See Congressional Program Ahead.

Senate

Chamber Action

Routine Proceedings, pages 2455-2506

Bills Introduced: 26 bills and 7 resolutions were introduced, as follows: S. 1050-1075; S.J. Res. 53-55; S. Con. Res. 15; and S. Res. 94-96. Pages 2458-2460

Bills Reported: Reports were made as follows:

Report entitled "Activities of Committee on Government Operations" (S. Rept. 52);

S. Con. Res. 15, to print with illustrations as a Senate document "A Report on U.S. Foreign Operations," submitted by Senator Ellender to Committee on Appropriations on February 1, 1961 (S. Rept. 53); and

S. Res. 95, providing for printing of additional copies for use of Committee on Government Operations of S. Doc. 113, 86th Congress, entitled "Documentation, Indexing, and Retrieval of Scientific Information" (no written report)—referred to Committee on Rules and Administration. Pages 2458-2459

President's Message—Natural Resources: Senate received President's message on conservation and development of natural resources—referred to Committee on Interior and Insular Affairs. Page 2467

President's Communication—Medical Training and Nursing Homes: Communication from President was received transmitting drafts of proposed legislation (1) to increase opportunities for training physicians, dentists, and professional public health personnel, and (2) to expand and improve community facilities for health care of the aged and others—referred to Committee on Labor and Public Welfare. Page 2457

Lincoln's First Inauguration: Senate passed without amendment and cleared for President H.J. Res. 155, to create a joint committee to commemorate the 100th anniversary of the first inauguration of Abraham Lincoln. Pages 2467-2468

U.S. Foreign Operations: Senate adopted S. Con. Res. 15, to print with illustrations as a Senate document "A

Report on U.S. Foreign Operations," submitted by Senator Ellender to Committee on Appropriations on February 1, 1961. Pages 2458-2459

Memorial Addresses: Numerous Senators delivered memorial addresses on the life, character, and public services of the late Senator Hennings, of Missouri, and the late Senator-elect Thomson, of Wyoming. Pages 2506-2524

Confirmations: The following nominations were confirmed: Numerous civilian, including those of Stephen Ailes, of Maryland, to be Under Secretary of the Army; John P. Duncan, Jr., of Georgia, and Frank J. Welch, of Kentucky, to be Assistant Secretaries of Agriculture; James M. Quigley, of Pennsylvania, to be Assistant Secretary of Health, Education, and Welfare; Najeeb E. Halaby, of California, to be Administrator of Federal Aviation Agency; Herbert F. York, of California, to be Director of Defense Research and Engineering; Glenn T. Seaborg, of California, to be member of AEC; Harold F. Linder, of New York, to be President of Export-Import Bank of Washington; Bernard Gufler, of Washington, Douglas MacArthur 2d, of the D.C., and Raymond A. Hare, of West Virginia, to be Ambassadors, respectively, to Finland, Belgium, and Turkey; and numerous nominations in the Army, Air Force, and Coast and Geodetic Survey. Pages 2545-2547

Nominations: The following nominations were received: Four civilian, including those of Thomas K. Finletter, of New York, to be U.S. Permanent Representative on NATO Council, with the rank and status of Ambassador; Norman M. Clapp, of Wisconsin, to be Administrator of REA; and Frank Burton Ellis, of Louisiana, to be Director of Office of Civil and Defense Mobilization; one judicial; and one Navy. Page 2545

Program for Tuesday: Senate met at noon and adjourned at 5:15 p.m. until noon Tuesday, February 28. Page 2545

Committee Meetings

(Committees not listed did not meet)

PREPAREDNESS

Committee on Armed Services: The Preparedness Investigating Subcommittee held an executive meeting to discuss the overall strength of our military program, and announced that it will begin a study of our missile programs in order to determine U.S. capabilities in this field. This study will lead to the holding of public hearings on this subject.

NOMINATION

Committee on Banking and Currency: Committee, in executive session, ordered favorably reported the nomination of Harold F. Linder, of New York, to be President of the Export-Import Bank of Washington, prior to which action, in open session, the nominee testified and answered questions in his own behalf. Mr. Linder was introduced by Senator Keating.

NOMINATION

Committee on Finance: Committee, in executive session, ordered favorably reported the nomination of James M. Quigley, of Pennsylvania, to be an Assistant Secretary of Health, Education, and Welfare, prior to which action, in open session, the nominee testified and answered questions in his own behalf. Mr. Quigley was introduced by Senator Scott.

AIR SAFETY

Committee on Interstate and Foreign Commerce: The Aviation Subcommittee continued its air safety hearings, with further testimony from James T. Pyle, Acting Administrator, Federal Aviation Agency, who was accompanied and assisted by other FAA officials. Testimony was also received from Robert E. Commerce, Air Line Dispatchers Association, Arlington, Va.; and Charles F. McErleane, United Air Lines, Inc.

Hearings continue on Monday, February 27.

House of Representatives

Chamber Action

The House was not in session today. Its next meeting will be held on Monday, February 27, at 12 o'clock noon. For program see Congressional Program Ahead in this DIGEST.

Committee Meetings

FEED GRAINS

Committee on Agriculture: Subcommittee on Livestock and Feed Grains met in executive session and ordered favorably reported to the House H.R. 4510 (amended), to provide a special program for feed grains for 1961.

MILITARY POSTURE

Committee on Armed Services: Held an executive briefing on military posture, and heard testimony from Elvis J. Stahr, Jr., Secretary of the Army, and Gen. George Decker, Chief of Staff, Army.

DISTRESSED AREAS

Committee on Banking and Currency: Subcommittee No. 2 heard Luther H. Hodges, Secretary of Commerce, on H.R. 4569, to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas. Hearings continue Monday, February 27.

MINIMUM WAGE

Committee on Education and Labor: Special Subcommittee on Labor continued executive consideration of H.R. 3935, to amend the Fair Labor Standards Act of 1938 in regard to increasing the Federal minimum wage to \$1.25 an hour. In an open hearing the subcommittee heard Luther H. Hodges, Secretary of Commerce, testify on minimum wage.

The committee will continue in executive session, on this subject, Monday, February 27.

IRRIGATION—RECLAMATION

Committee on Interior and Insular Affairs: Subcommittee on Irrigation and Reclamation heard Kenneth A. Holum, Assistant Secretary of Interior for Water Power, and Floyd Dominy, Commissioner of Reclamation, discuss programs and problems regarding irrigation and reclamation. Adjourned subject to call of the Chair.

Joint Committee Meetings

STATE OF ATOMIC ENERGY INDUSTRY

Joint Committee on Atomic Energy: The committee continued its series of hearings on the development, growth, and state of the atomic energy industry, held

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HIGHLIGHTS: House committee reported feed grains bill. House committee voted to report bill to increase funds available for farm operating loans.

HOUSE

1. FEED GRAINS. The Agriculture Committee reported with amendment H. R. 4510, to provide a special program for feed grains for 1961 (H. Rept. 29). p. 2557
2. FARM LOANS. The Agriculture Committee voted to report H. R. 1822, to increase from 10 to 25 percent the portion of the annual appropriation for Farmers Home Administration operating loans that may be used for farm operating loans. p. D99
3. EDUCATION. Received from the President a proposed bill for Federal aid to public schools and to amend Public Laws 815 and 874, 81st Congress, relating to aid to schools in federally impacted areas; to Education and Labor Committee. p. 2557
Received the annual report of the Commissioner of Education on Federal aid to schools in federally impacted areas. p. 2557
4. CIVIL DEFENSE. Received the annual report of the Office of Civil and Defense Mobilization. p. 2557
5. EXPORT CONTROL. Received from Commerce the quarterly report on export controls. p. 2557

6. EMPLOYMENT. The Ways and Means Committee reported on Feb. 25, with amendment, H. R. 4806, to provide for the establishment of a temporary program of extended unemployment compensation (H. Rept. 27). p. 2557
7. PRINTING. Received a GAO audit report on the Government Printing Office for the fiscal year 1960. p. 2557
8. RESEARCH. Received a Kan. Legislature resolution favoring creation of a Federal evapotranspiration research center in Kan. p. 2559
9. LANDS; FORESTRY. Received a Wyo. Legislature resolution favoring legislation to grant to Wyo. funds equivalent to the amount of lost revenue due to the large amount of non-taxable Federal land within the State. pp. 2559-60
10. WHEAT. Received a Reno. Co., Kan., Farmers Union resolution "in support of the proposed 1960 marketing program for wheat." p. 2560

SENATE

11. FORESTRY. The Interior and Insular Affairs Committee voted to report S. 449, to extend until Jan. 31, 1962, the time within which the Outdoor Recreation Resources Review Commission shall submit its final report. p. D98
12. APPROPRIATIONS; COMMITTEE ASSIGNMENTS. The Appropriations Committee appointed the membership of its subcommittees, including the following. p. D97
Agriculture and related agencies (except Forest Service): Sens. Russell, Hayden, Hill, Robertson, Holland, Stennis, McGee, Humphrey, Young, Mundt, Dworshak, Hruska, and Schoeppel. (Sens. Ellender, Johnston, and Aiken were appointed ex officio members.)
Interior and related agencies: Sens. Hayden, Chavez, Russell, McClellan, Kefauver, Bible, Byrd, McGee, Humphrey, Mundt, Young, Dworshak, and Kuchel.
Deficiencies, Supplementals, and Foreign Operations: To be considered by entire Appropriations Committee.

ITEMS IN APPENDIX

13. WATER CONSERVATION. Rep. Breeding inserted a Kansas State Legislature resolution urging passage of legislation to provide for the creation of a Federal Evapotranspiration Research Center in Kansas. pp. A1243-4
14. ELECTRIFICATION. Extension of remarks of Rep. Evins inserting Interior Secretary Udall's "Memorandum on Power Policy." p. A1245
Rep. Patman commended and inserted Sen. Yarborough's recent address, "Vision and Faith: The REA Co-op Story." pp. A1248-9
Extension of remarks of Rep. Andersen inserting an address by Rep. Horan discussing the objectives and accomplishments of REA during the past 26 years. pp. A1258-9
15. SUGAR. Extension of remarks of Rep. Short inserting a N. Dak. State Legislature resolution urging passage of legislation to amend and reenact the Sugar Act for a period of five years. p. A1252
16. FUTURE FARMERS. Extension of remarks of Rep. McFall inserting an article summarizing some of the aims and achievements of the Future Farmers of America. p. A1263

FEED PROGRAM FOR 1961

FEBRUARY 27, 1961.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

R E P O R T

[To accompany H.R. 4510]

The Committee on Agriculture, to whom was referred the bill (H.R. 4510) to provide a special program for feed grains for 1961, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert:

That section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection:

“(c) Notwithstanding any other provision of law—

“(1) The level of price support for the 1961 crop of corn shall be established by the Secretary at such level not less than 65 percentum of the parity price therefor as the Secretary may determine. Price support for corn and grain sorghums shall be made available on not to exceed the normal production of each eligible farm as determined by multiplying the harvested acreage of corn and grain sorghums on the farm by the acreage yield per acre for 1959 and 1960.

“(2) The Secretary shall require as a condition of eligibility for price support on the 1961 crop of corn, grain sorghums, soybeans, and any other feed grain or oilseed crops which he may designate that the producer shall participate in the special agricultural conservation program for 1961 for corn and grain sorghums to the extent prescribed by the Secretary.”

SEC. 2. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

“(c) Notwithstanding any other provision of law—

“(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1961, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums to an approved conservation use and increase their average acreage devoted in 1959 and 1960 to designated soil conserving crops or practices by an equal amount: *Provided, however,* that any producer may elect in lieu of such payment to devote such diverted acreage to any crop not in surplus, not eligible for price supports, and not produced principally for livestock feed as may be designated by the Secretary. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn and grain sorghums in the crop years 1959 and 1960 or up to 20 acres, whichever is greater. Payments in cash may be made on an amount of corn and grain sorghums not in excess of the product of 50 per centum of the average yield per acre for the farm for 1959 and 1960 multiplied by the number of such diverted acres. Payments in kind may be made by the Secretary for the diversion of an additional 20 per centum of such corn and grain sorghum acreage. Payments in kind may be made on an amount of corn and grain sorghums not in excess of the product of 60 per centum of the average yield per acre for the farm for 1959 and 1960 multiplied by the number of such additional diverted acres. In determining the amount of conservation payments and price supports for the 1961 crops of corn and grain sorghums, the Secretary may make such adjustments in acreages and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production.

“(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(c). The Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1961.

“(3) Obligations under such program may be incurred in advance of appropriations therefor (i) for payments in

cash in an amount not exceeding \$500,000,000, and (ii) for payments-in-kind for diversion of acreage, within such limits as the Secretary may require. Payments in kind shall be made through the issuance of negotiable certificates redeemable for feed grains by the Commodity Credit Corporation in accordance with regulations prescribed by the Secretary."

SEC. 3. Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized to sell any corn or grain sorghums during the marketing year for the 1961 crop of such grains at any price not less than 17 per centum below the 1961 support price for such grains.

STATEMENT

The purpose of this bill is to establish a 1-year emergency program to reduce the production of feed grains in the crop-year 1961 and thereby alleviate conditions of oversupply and low prices which are seriously depressing a major segment of the Nation's agriculture and placing on taxpayers the burden of holding nearly \$4 billion of these grains in the bins of the Commodity Credit Corporation.

In presenting his program to the Congress, the Secretary of Agriculture estimated that it would reduce feed grain production in 1961 by approximately 1 billion bushels, would result in a saving of approximately \$500 million to the Government, and would increase the income of feed grain producers approximately 10 percent. Although the committee has made some modifications in the Secretary's program, it believes that the benefits under the bill as reported will be at least as great as the Secretary estimated for his proposal.

It is to be remembered that this is an emergency program for 1 year—not a long-range policy for agriculture—and that in approving it the committee has approved certain features which it would not necessarily look upon with favor for a long-range program. For example, this is a voluntary acreage reduction program with certain extraordinary inducements for farmers to participate therein. There is no mandatory provision in the bill or in the program proposed by the Secretary. This committee has consistently taken the position that if price supports above a minimum level are to be afforded a commodity, the producers of that crop should be willing to accept mandatory controls on their production. Such controls should not be established, however, until producers have had an opportunity freely to approve them in a referendum. It is near the season for planting feed grains in the southern part of the United States and, obviously, for 1961, there is no time for the formulation of a control program and a referendum on it by feed-grain producers. Therefore, the committee has approved—for this 1 year—a program based on a voluntary, rather than a mandatory, effort on the part of feed grain producers to keep their production in line with demand.

The same observation should be made with respect to the provision of the bill limiting price supports on corn and grain sorghums in 1961 to the average production of the harvested acres on farms cooperating in the land retirement program. Many committee members are opposed to the use of quotas or allotments in terms of pounds or bushels but have approved this limitation for use in this 1 year on an emer-

gency basis in order to assure as great a reduction in corn and grain sorghum production as possible under the terms of the program.

Much of the authority to formulate and carry out a program such as that proposed by the Secretary is to be found in existing law. The bill reported herewith merely supplements that authority where necessary and does not, therefore, spell out all the details of the program proposed and authorized for 1961. Additional details of that program are to be found in the message of the President to the Congress, the memorandum of the Secretary of Agriculture attached to that message, and the statement of the Secretary before the Livestock and Feed Grains Subcommittee of this committee—all of which are attached hereto and made a part of this report.

SUMMARY OF 1961 PROGRAM PROVISIONS

Following is a brief summary of the 1961 feed grain program as authorized in the bill and as proposed by the Secretary of Agriculture pursuant to his authority under the bill and under existing law:

1. An increase in the support level of corn, grain sorghums, and other feed grains.
2. An increase in the support level of soybeans (intended to divert at least 2 million acres from corn and grain sorghums).
3. Eligibility for price support for corn, grain sorghums, and soybeans (and any other feed grains or oilseeds designated by the Secretary) to be contingent upon participation in the diversion program for corn and grain sorghums provided in the bill.
4. Payment in cash for retiring 20 percent of corn and grain sorghum acreage (or up to 20 acres, whichever is greater).
5. Payment in kind for retiring an additional 20 percent of corn and grain sorghum acreage.

ANALYSIS OF THE BILL

Section 1

Section 1 of the bill amends the Agricultural Act of 1949 with respect to price supports for the 1961 crop of feed grains and oilseeds. It provides that—

(1) The Secretary shall establish the 1961 support price of corn at some level above 65 percent of parity. Under existing law corn is supported at 65 percent of parity. The Secretary indicated in his memorandum to the President and in his testimony before the committee that at the level of conservation payments recommended in his memorandum (which has been reduced by the committee), it was his intention to set the support price at \$1.20 per bushel.

(2) The 1961 support level of oats, rye, barley, and grain sorghums will be related to the support price for corn pursuant to the provisions of section 105(b) of the Agricultural Act of 1949, in which the bill makes no change.

(3) Eligibility for price supports on corn, grain sorghums, soybeans, and any other feed grain or oilseed crops which the Secretary may designate, will be contingent upon the producer retiring such percentage as the Secretary may require of his 1959-60 average plantings of corn and grain sorghums (if any) into the special 1961 conservation program authorized in section 2 of the bill. The Secretary has indicated and the committee anticipates that the program will provide for a 20-percent acreage retirement.

(4) In order to prevent increased fertilizer use and more intensive cropping practices from defeating the purposes of the bill, price supports for corn and grain sorghums for 1961 will be made available only on the average (for 1959-60) production of the harvested acres on eligible farms. Producers may exceed this figure without penalty but will not be eligible for price support on the excess.

Section 2

Amends the Soil Conservation and Domestic Allotment Act to provide for the special 1961 feed grain conservation program on the following basis:

1. Authorizes and directs the Secretary to formulate and carry out a special conservation program in 1961 for corn and grain sorghums and authorizes cash payments of not more than \$500 million for such program.

2. Authorizes cash payments (or an equivalent amount in kind) at a rate of the support price times 50 percent of the average yield per acre (based on 1959-60 production) for retirement of 20 percent of corn and grain sorghum acreage (or 20 acres, whichever is greater) into the conservation program authorized by this bill. The 20-acre provision is intended to encourage participation by farmers with small corn or grain sorghum acreages who might be willing to retire their whole acreage of such grains but would not take the trouble to participate if their acreage retirement was limited to 3 or 4 acres.

3. Permits the producer to elect to grow on the retired acreage (in lieu of all payment) any crop designated by the Secretary which is not in surplus, not eligible for price support, and not produced principally as livestock feed.

4. The Secretary has wide authority to establish the terms and conditions under which the land will be placed in the special conservation program but section 2 specifically provides that among these be the conditions that appropriate measures are taken to keep the land free from insects, weeds, and rodents and that there is an equivalent net increase on the farm in land devoted to soil conserving crops or practices (based on 1959-60).

5. In addition to the 20-percent reduction in corn and grain sorghum acreage previously discussed, producers may, at their option, place up to an additional 20 percent of such acreage into the special conservation program under similar terms and conditions, except that payment for the additional 20 percent will be in kind, rather than in cash, with such payment-in-kind limited to a rate of not more than 60 percent of the average yield of the retired acreage for the years 1959 and 1960.

6. Payment in kind will be made by issuing to eligible farmers negotiable certificates redeemable in feed grains by the Commodity Credit Corporation. These certificates will be very similar to warehouse receipts and will entitle the holder (either the farmer to whom issued or a holder in due course) to a specified quantity or value of feed grains from CCC stocks. Under his authority to make regulations for the redemption of these certificates, the Secretary will determine whether it is more practicable to issue them in terms of dollars or bushels and establish time limits for their redemption and other operating details. The committee suggests that it might be possible for the CCC to act as the agent of farmers who wish to sell their certificates, rather than withdrawing the grain themselves.

Section 3

This section is intended to remove the "price support umbrella" from those producers who might elect not to participate in the program. It would permit the CCC to sell a sufficient quantity of corn and grain sorghums during the 1961 marketing year to keep the price of those commodities from rising to a level where it would encourage farmers not to cooperate and to engage in unlimited planting. In the case of corn, if supports were set at \$1.20, the CCC could sell its stocks at approximately \$1 per bushel. This would not conflict with the existing authority for CCC to sell out-of-condition stocks at market price or to sell for export or other diversionary uses as authorized in section 407 of the Agricultural Act of 1949.

FEBRUARY 16, 1961.

HON. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I am transmitting herewith a bill to provide a special program for feed grains for 1961. I urgently recommend to the Congress the enactment of this emergency program so that it can cover the 1961 crop.

The existing program has failed. It has resulted in the accumulation of a burdensome and dangerous surplus, mainly of commodities for which there is no adequate outlet even under our expanded programs of providing food for those in need. At the same time, it has failed to protect farm income, and it is threatening to drive down the prices farmers receive for hogs, cattle, poultry and eggs, and milk to disastrous levels. If this program is allowed to continue in effect for this year's crop, the stocks in Government hands will reach even more alarming proportions, a virtually unmanageable storage problem will be created, farm income will continue to suffer, and large amounts of Government funds will be needlessly expended. Immediate action is required to prevent further deterioration of this situation. In order to be effective with respect to this year's crops, a new program should be authorized by March 1.

I believe that any legislation enacted should fit our overall goal to use our agricultural abundance to meet the needs of our people, and at the same time provide a fair income for those who produce that abundance. We need to shift our production from commodities of which there is an unmanageable surplus to commodities for which there is a need, even as we curtail our production of those surplus commodities. The Secretary of Agriculture already has authority to take steps toward these goals with regard to some commodities, such as milk, soybeans and cottonseed, pork, poultry and eggs. However, new legislation is needed for effective action with respect to corn and other feed grains. The legislation I am now recommending will fill this gap with the authority needed to round out an emergency program for this year in the feed grain sector of our farm economy.

Although this is an emergency program, it is consistent with our long-range objectives and would accomplish the following: (1) a moderate increase in farm income; (2) a saving of several hundred million dollars of Government funds; and (3) a holding down or reduction of surplus stocks to more manageable proportions. This is accomplished without any material effect upon consumer prices.

The Government now holds 2.7 billion bushels of feed grains. The investment in feed grains stands at the all-time high of nearly \$4 billion. The 1961 crop will soon be planted. By this fall, the Nation will be confronted once again with a shortage of space in which to store grain. The shortage may amount to the off-farm space required for as much as 200 to 250 million bushels if we fail to take any preventive action now. The storage problem will be further accentuated in 1962.

The legislative proposals submitted herewith (1) would provide that cooperators would receive a support price of \$1.20 a bushel for corn for 1961, and would receive supports for other feed grains in relation to those for corn; and (2) would authorize a special agricultural conservation program under which acreage previously planted to feed grains would be diverted from production for 1961. Unlike the present program under which a support price of \$1.06 a bushel is paid to all producers without regard to any limit on production, producers will not be eligible for price supports under this new program unless they cooperate in the special agricultural conservation program.

This emergency program covers only the 1961 crop. I intend to recommend to the Congress other legislation covering both wheat and feed grain crops for subsequent years.

There is attached hereto a letter from the Secretary of Agriculture setting forth the details of the program. It is important that it be accorded the prompt consideration of the Congress.

Sincerely,

JOHN F. KENNEDY, *President.*

(Identical letter sent to the President of the Senate.)

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, February 16, 1961.

Memorandum.

To: The President, The White House.

From: The Secretary of Agriculture.

DEAR MR. PRESIDENT: The emergency feed grain program for 1961 is described in detail below: This program will, I believe, achieve the objectives for the feed grain economy outlined in your letter transmitting proposed feed grain legislation to the Congress.

1. Each producer will be asked to shift to a soil conserving use 20 percent of the acreage he had planted, during the base period 1959-60, to corn, grain sorghums, or other feed grains. The Secretary will prescribe the use of these diverted acres for conservation purposes. Producers cooperating in the program will receive payments under the special conservation program equal to 60 percent of the gross value of a year's normal production on the diverted acres. A corn grower in an area where the corn support price is the proposed national average of \$1.20 would compute his payment by multiplying 60 percent of the support price, 72 cents, by his normal corn yield. If his yield was 50 bushels an acre, his payment for shifting 20 percent of his corn acreage would be 50 times 72 cents, or \$36 per acre.

2. The cooperating producer will be eligible, at his option, to divert additional feed grain acreage into a soil-conserving use. For this he will be paid in kind from Government stocks of grain at the rate of two-thirds of his normal yield per acre. These payments-in-kind will be made by issuing certificates which the producer can redeem in grain or in cash at his option. If redeemed in cash, the Commodity Credit Corporation will sell enough grain on the market to cover the cost. The producer can receive these payments-in-kind for shifts up to 20 percent of his feed grain acreage—making a total shift of up to 40 percent.

3. A producer who cooperates by shifting at least 20 percent of his acreage from feed grain production will, in addition to the special conservation payment he receives, be eligible for price supports at a national average rate of \$1.20 a bushel for corn and related rates for other feed grains. Producers who do not cooperate will not be eligible for price supports on corn or other feed grains.

4. The Commodity Credit Corporation would be authorized to sell during the marketing year for the 1961 crop, at current market prices, as much grain as the successful management of this feed grain program requires. The knowledge that these stocks could be placed on the market would encourage producers to participate in the program rather than gamble on market prices.

5. Support prices for soybeans will be raised to \$2.30 per bushel and the support price for cottonseed raised to a competitive relationship with soybean support prices. This will encourage the diversion of a part of the current feed grain acreage to soybean production. World supplies of high-protein meals and vegetable oils are in short supply and the increase in soybean production achieved by the higher price supports can be used to meet current world needs.

The estimated cost to the Government of the conservation payments under this program is from \$400 million to \$500 million. There would be an outlay also for payments in kind, but these would be more than counterbalanced in time by savings made possible by reducing stocks that require expensive storage and by reducing production of grain that would be eligible for price-support loans if produced. There would also be some outlay for price-support loans, but with a reasonably high degree of cooperation among farmers, total feed grain production would be brought more nearly into line with demand so that prices will rise and Government stocks will be absorbed in the market. Thus, the total estimated cost of the program in the long run is only the cost of the conservation practice payments—\$400 to \$500 million. This would replace the estimated expenditures under the existing program of \$1.5 to \$1.6 billion of which we could expect to recover eventually only \$500 million. The net saving under the proposed special program as compared with the existing program would be in the order of \$500 million.

The case for the proposed special program, however, does not rest on estimated savings regardless of how important those may be. Other reasons are impelling.

The gross income of the average feed grain producer would be increased substantially under this program and his net income even more.

In addition, the wasteful buildup of feed grain stocks would be brought to an end, thus alleviating an acute shortage of storage space in the fall of 1961 and avoiding a needless further increase in storage costs. Present Government holdings of feed grains would also be reduced to some extent. Consumer prices will not be affected measurably.

A draft of appropriate legislation to authorize this program is attached. I urge the Congress to enact this legislation speedily. I also respectfully urge the Congress not to complicate the consideration of this legislation by coupling other matters with it, and thus inviting delay. Time is of the essence in this matter.

The people are looking to us to find solutions to some of the problems plaguing American agriculture. They would not look kindly upon a failure to avail ourselves of an opportunity to take what is so plainly a forward step.

STATEMENT BY SECRETARY OF AGRICULTURE ORVILLE L. FREEMAN
BEFORE THE FEED GRAIN SUBCOMMITTEE OF THE HOUSE COMMITTEE
ON AGRICULTURE, FEBRUARY 21, 1961

Mr. Chairman and members of the committee, it is with a sense of great urgency that I come before you this first time as Secretary of Agriculture. I appreciate, and I feel sure that the farm people of the Nation appreciate, your prompt action in considering the special legislation that President Kennedy has proposed for dealing with the feed grain problem.

This emergency program will, in our judgment, meet this situation with benefits to the producer, the consumer, the taxpayer, and the American economy as a whole.

Specifically, it will do these things:

First, it will assure increased income for participating farmers in the important feed grain sector of our agricultural economy.

Second, it will assure the consumer of fair and stable prices for meat, poultry, and dairy products.

Third, it will cost the taxpayer some \$500 million less than the present program.

And fourth, it will reduce the Government's holdings of feed grains.

The feed grain-livestock complex is the largest part of our agricultural economy. It is vitally important. It accounts for nearly two-thirds of gross farm receipts.

The existing program combining price support with unlimited production has not worked. It has resulted in the accumulation and buildup of huge stocks of feed grains. It has lured and threatens to lure producers into expanding, far beyond what current markets can absorb at fair prices, the production of poultry, eggs, dairy products, and meat.

If the current program of price supports on unlimited production of feed grains is allowed to continue, even this year, surplus stocks in Government hands will reach even more alarming proportions. A virtually unmanageable storage problem will be created. Farm income will drop further,

and additional millions of dollars will be needlessly spent.

It is only reasonable then that a change in the present direction is in order. The Government now holds from previous crops some 2.7 billion bushels of feed grains. The investment is at an alltime high of nearly \$4 billion. If the present program is permitted to continue, the Government will be required to acquire 610 million bushels of feed grains from the 1961 crop and prior-crop reseals in the calendar year 1962. The cost of acquisition will be approximately \$603 million. Based on experience, the storage and handling charges prior to the time of disposition of these grains will cost the American public another \$959 million. The total investment, therefore, would be more than \$1½ billion.

If we assume that these grains will eventually be moved at their full acquisition value, the net expense to the public would still be more than a billion dollars. But this is only part of the dollar cost; unless we begin action now to bring order and balance into the total feed grain picture, the livestock economy will likely be in chaos in the next few years, and farm income will be at ruinous levels.

What is the alternative to this situation?

It is, we believe, along the lines of the legislation presented to the Congress by the President in his letter to the Speaker on last Thursday.

With prompt enactment of this legislation, the Department of Agriculture can place into effect an emergency feed grain program to be effective for the 1961 crop.

The program is a voluntary one. It gives to the producers an opportunity to cooperate in a program which will bring our feed grain supplies more nearly in line with needs. No producer will be required to participate. It would be operated through the farmer committee system, which has earned the confidence of the people—farm and nonfarm people alike.

The program will be considerably less expensive than the existing program.

The estimated cost to the Government of the conservation payments under this program is from \$400 to \$500 million. There will be an outlay also for payments-in-kind, but these will be more than counterbalanced in time by savings made possible by reducing stocks that require expensive storage and by reducing production of grain that would be eligible for price support loans if produced. There may also be some outlay for price support loans, but with a reasonably high degree of cooperation among farmers, total feed grain production will be brought more nearly into line with demand so that prices will rise and Government stocks will be absorbed in the market. The total estimated cost of the program in the long run will be the cost of the conservation payments—\$400 to \$500 million. This will replace the estimated expenditures under the existing program of \$1.5 to \$1.6 billion of which we could expect to recover eventually not more than \$500 million. The net saving under the proposed special program as compared with the existing program would be on the order of \$500 million.

To the cooperating farmer, this program offers an opportunity to increase both his gross and net returns.

To the taxpayer, the proposed program offers an end to the wasteful buildup of feed grain stocks; in fact, we believe under this program we will be able to reduce the stocks held by the Government.

To the consumer, in addition to the ultimate savings of their tax dollars, this program offers a continued supply of abundant high-quality food at fair and stable prices.

I would like now to present the major features of this program, with a brief discussion of the legislative and administrative requirements.

The legislation proposed to you by the President would do these things:

1. Establish for 1961 a special agricultural conservation program to encourage producers to divert feed grain acreage to soil conserving uses;

2. Make participation in this special program a condition of eligibility for price supports on feed grains;

3. Permit payments-in-kind out of Government stocks of feed grains to producers who divert acreage out of feed grain production.

4. Increase the level of price supports for feed grains to assure the producer a more reasonable return from each bushel he produces;

5. Permit the Government to sell stocks of feed grains at market prices in order to avoid holding a price umbrella over noncooperators.

The producer has several choices to make. First, does he want to take part in the program? He becomes a cooperator by diverting at least 20 percent of his base acreage from corn, grain sorghum, or other feed grains to a soil conserving use. (The base period to be used in computing acreage history is 1959-60.) When he takes this step, he becomes eligible for price supports on his feed grain production. The national average rate proposed for corn is \$1.20 a bushel, with rates for other feed grains in relation thereto. He also becomes eligible for a payment under the special agricultural conservation program. This is made at the rate of 60 percent of the support price for the normal yield per acre. The producer who lives where the corn support price is exactly the national average can compute his rate as 60 percent of \$1.20 or 72 cents times his yield in the base period. If that was 50 bushels an acre, the payment per acre is \$36.

After deciding to take the basic step of diverting 20 percent of his feed grain acreage, the producer makes another decision. Does he want to divert a larger amount? He can obtain additional benefits by diverting up to 20 percent more of his base acreage. For each additional acre, he can earn payments-in-kind at the rate of two-thirds of his normal yield. If his corn yield was 50 bushels, his payment-in-kind will be $33\frac{1}{3}$ bushels per acre. His payment will be in the form of a certificate which he can redeem in grain or in cash as he wishes. If he chooses cash, the Commodity Credit Corporation will sell enough grain to cover the cost.

With the proposed new program in effect, the farmer who does not participate will have to take his chances on an unsupported feed grain market.

We can go into the details of the program to whatever extent you wish. However, before completing this initial presentation, I would like to discuss some charts which portray the feed grain situation.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

AGRICULTURAL ACT OF 1949, AS AMENDED

* * * * *

PRICE SUPPORT (CORN AND FEED GRAINS)

SEC. 105. (a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1959 crop, price support shall be made available to producers for each crop of corn at 90 per centum of the average price received by farmers during the three calendar years immediately preceding the calendar year in which the marketing year for such crop begins, adjusted to offset the effect on such price of any abnormal quantities of low-grade corn marketed during any of such year: *Provided*, That the level of price support for any crop of corn shall not be less than 65 per centum of the parity price therefor.

(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, and the other factors set forth in section 401(b) hereof.

(c) *Notwithstanding any other provision of law—*

(1) *The level of price support for the 1961 crop of corn shall be \$1.20 per bushel.*

(2) *The level of price support for the 1961 crop of oats, rye, barley, and grain sorghums shall be such level as the Secretary determines is fair and reasonable in relation to the level of price support for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors set forth in section 401(b) hereof.*

(3) *The Secretary shall require as a condition of eligibility for price support on the 1961 crop of corn, grain sorghums, and any other feed grain which he may designate that the producer shall participate in the special agricultural conservation program for 1961 for feed grains to the extent prescribed by the Secretary.*

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT, AS AMENDED

* * * * *

LIMITATION ON OBLIGATIONS INCURRED

SEC. 16. (a) The obligations incurred for the purpose of carrying out for any calendar year, the provisions of sections 7 to 14, inclusive, of this Act shall not exceed \$500,000,000. (16 U.S.C. 590p(a)).

GREAT PLAINS CONSERVATION PROGRAM

(b) Notwithstanding any other provision of law—

(1) the Secretary is authorized, within the amounts of such appropriations as may be provided therefor, to enter into contracts of not to exceed ten years with producers in the Great Plains area determined by him to have control for the contract period of the farms or ranches covered thereby. Such contracts shall be designed to assist farm and ranch operators to make, in orderly progression over a period of years, changes in their cropping systems and land uses which are needed to conserve the soil and water resources of their farms and ranches and to install the soil and water conservation measures needed under such changed systems and uses. Such contracts shall be in effect during the period ending not later than December 31, 1971, on farms and ranches in counties in the Great Plains area of the States of Colorado, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming, designated by the Secretary as susceptible to serious wind erosion by reason of their soil types, terrain, and climatic and other factors. The producer shall furnish to the Secretary a plan of farming operations which incorporates such soil and water conservation practices and principles as may be determined by him to be practicable for maximum mitigation of climatic hazards of the area in which the farm is located, and which outlines a schedule of proposed changes in cropping systems and land use and of the conservation measures which are to be carried out on the farm or ranch during the contract period to protect the farm or ranch from erosion and deterioration by natural causes. Under the contract the producer shall agree—

(i) to effectuate the plan for his farm or ranch substantially in accordance with the schedule outlined therein unless any requirement thereof is waived or modified by the Secretary pursuant to paragraph (3) of this subsection;

(ii) to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder upon his violation of the contract at any stage during the time he has control of the farm if the Secretary determines that such violation is of such a nature as to warrant termination of the contract, or to make refunds or accept such payment adjustments as the Secretary may deem appropriate if he determines that the producer's violation does not warrant termination of the contract;

(iii) upon transfer of his right and interest in the farm or ranch during the contract period to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder unless the transferee of the farm or ranch agrees with the Secretary to assume all obligations of the contract;

(iv) not to adopt any practice specified by the Secretary in the contract as a practice which would tend to defeat the purposes of the contract;

(v) to such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of the program or to facilitate the practical administration of the program.

In return for such agreement by the producer the Secretary shall agree to share the cost of carrying out those conservation practices set forth in the contract for which he determines that cost-sharing is appropriate and in the public interest. The portion of such cost (including labor) to be shared shall be that part which the Secretary determines is necessary and appropriate to effectuate the physical installation of the conservation measures under the contract;

(2) the Secretary may terminate any contract with a producer by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest, and may agree to such modification of contracts previously entered into as he may determine to be desirable to carry out the purposes of the program or facilitate the practical administration thereof;

(3) insofar as the acreage of cropland on any farm enter into the determination of acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, the cropland acreage on the farm shall not be decreased during the period of any contract entered into under this subsection by reason of any action taken for the purpose of carrying out such contract;

(4) the acreage on any farm which is determined under regulations of the Secretary to have been diverted from the production of any commodity subject to acreage allotments or marketing quotas in order to carry out the contract entered into under the program shall be considered acreage devoted to the commodity for the purposes of establishing future State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended;

(5) in applying the provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340 (6)), relating to the reduction of storage amount of wheat, any acreage diverted from the production of wheat under the program carried out under this subsection shall be regarded as wheat acreage;

(6) the Secretary shall utilize the technical services of agencies of the Department of Agriculture in determining the scope and provisions of any plan and the acceptability of the plan for effectuating the purposes of the program. In addition the Secretary shall take into consideration programs of State and local agencies, including soil conservation districts, having for their purposes the objectives of maximum soil and water conservation;

(7) there is hereby authorized to be appropriated without fiscal year limitations, such sums as may be necessary to carry out this subsection: *Provided*, That the total cost of the program (excluding administrative costs) shall not exceed \$150,000,000, and for any program year payments shall not exceed \$25,000,000. The funds made available for the program under this subsection may be expended without regard to the maximum payment limitation and small payment increases required under section 8(e) of this Act, and may be distributed among States without regard to distribution of funds formulas of section 15 of this Act. The program authorized under this subsection shall be in addition to, and not in substitution of, other programs in such area authorized by this or any other Act. (16 U.S.C. 590 p. (b))

(c) *Notwithstanding any other provision of law—*

(1) *The Secretary shall formulate and carry out a special agricultural conservation program for 1961, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation practice payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn, grain sorghums, and such other feed grains as the Secretary may designate, to an approved conservation use.*

(2) *Obligations under such program may be incurred in advance of appropriations therefor (i) for payments in cash in an amount not exceeding \$500,000,000, and (ii) for payments-in-kind for diversion of acreage, within such limits as the Secretary may require, in addition to that required to be diverted in order to be eligible for price support. Payments-in-kind shall be made through the issuance of certificates redeemable by the Commodity Credit Corporation in accordance with regulations prescribed by the Secretary for feed grains or, at the option of the producer to whom the certificate is issued, for cash. To the extent such certificates are redeemed for cash, Commodity Credit Corporation shall sell a sufficient quantity of feed grains at the market price to cover the cost of such cash redemptions.*

(3) *There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(c). The Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1961.*

* * * * *

MINORITY REPORT

We oppose H.R. 4510, as amended, and reported by the majority of the committee on the grounds that:

(1) It establishes an unsound and unprecedented surplus management policy calling for the substitution of Government price fixing for a strong and free market by the dumping of Commodity Credit Corporation stocks.

(2) It is unduly expensive.

(3) It authorizes price support for corn and grain sorghum to be established at levels at or in excess of 100 percent of parity.

(4) It establishes bushelage quotas. Efficient farmers producing more than their "average" in 1959 and 1960 would not receive full price support.

(5) It will unfairly disrupt livestock, dairy, and poultry producers.

(6) It reinstates the discredited acreage allotment program for corn and grain sorghum.

(7) It will not greatly reduce feed supplies.

(8) It will jeopardize exports.

(9) It will entail large administrative expenses.

(10) It sets a dangerous precedent for other commodity programs.

DESTRUCTION OF CORN-SORGHUM MARKET BY USE OF CCC STOCKS

The bill would authorize the Secretary of Agriculture to use surplus corn and grain sorghum owned by the Government to reduce the market price of these grains. Thus, the market price of these grains could be (and testimony before the committee indicated this was the intention) maintained below the price support level as a means of compelling compliance with acreage allotments. This is a revolutionary change in the historical concept, use, and purpose of price support programs. It would constitute an unparalleled grant of power to the Secretary of Agriculture. It would destroy market functions by requiring all complying producers to put their crops through CCC if they are to obtain the Government price support.

This is a fallacious concept. The effect would be to make the Government the market for the cooperator's grain and disrupt the livestock, poultry, and dairy industries by administratively manipulating the release of Government stocks of feed grains on an unpredictable basis.

If stocks were sold for less than the support price, no cooperator would be able to get the support prices without turning his grain over to the Government. Livestock producers would be encouraged to turn their own grain over to the CCC and to buy replacement stocks from the same Government agency. The result would be a great deal of unnecessary handling and crosshauling.

The utilization of feed grains has been increasing at a very rapid rate. The consumption of corn by livestock has gone up from an average of 2,842 million bushels in the 5 years, 1954-58, to an estimated 3,625 million bushels in the current marketing year.

PROPOSED PROGRAM UNDULY EXPENSIVE

The cost of the proposed program (in appropriations or in impairment of the capital stock of the Commodity Credit Corporation) is large and undeterminable since it depends upon (1) the level of price support announced for the various feed grains, (2) the level of price at which CCC stocks will be disposed of by the Secretary of Agriculture, (3) the percent of participation in the program by farmers, (4) the unknown costs of performing the tremendous amount of paperwork involved, and (5) other unknowns. The Department estimates the cost to be \$500 million (exclusive of payment-in-kind cost) for the retirement of some 14 million acres. This compares with the 1960 conservation reserve program which retired some 28.7 million acres at a cost of approximately \$375 million.

NO LIMIT ON LEVEL OF PRICE SUPPORT

This bill authorizes an increase in the price support for corn and other feed grains to 100 percent of parity or above. By raising price supports on feed grains, the Government would be bidding against itself in trying to get farmers to retire land.

Cutting acreage and raising price supports would give farmers a strong incentive to increase per acre yields on their remaining acreage through heavy use of fertilizer, supplemental irrigation, and other production-stimulating practices. Thus, much of the contemplated effect of cutting feed grain acreage would be lost.

BUSHELAGE QUOTA ESTABLISHED

The provision of the bill limiting price support to each farmer's average per-acre production of corn and feed grains in 1959 and 1960 does not remove this inconsistency. No farmer can know exactly what his yield will be until his crop is harvested. Each grower will be under pressure to maximize yields as insurance against a late season drought. And any production in excess of his 1959-60 per-acre yield can be marketed or fed to livestock without penalty.

WILL DISRUPT LIVESTOCK, DAIRY, AND POULTRY PRODUCERS

This bill would have an extremely adverse effect on livestock, poultry, and dairy farmers in all regions of the Nation. These farmers would face the prospect of an uncertain feed grain supply, a sizable part of which would be composed of grain released on an unpredictable and administratively determined basis by the Commodity Credit Corporation. Market prices for all feed grains would be affected by this unpredictable release of Government stocks. Livestock, poultry, and dairy farmers would be unable to plan their operations in advance because of the uncertainties of market price and supply.

Release of substantial quantities of Government-held feed grain stocks as payments-in-kind in the grain-producing areas could stimulate an unwarranted expansion in the number of dairy and poultry producers in those areas, providing unfair competition to the traditional producers of these commodities in the feed-deficit areas of the Northeast, South, and West. The effect of such an approach is to

reward cash grain farmers at the expense of livestock feeders. It should not be forgotten that 80 to 85 percent of all corn is fed to livestock.

REINSTATES DISCREDITED ACREAGE ALLOTMENTS

The bill would reinstate the discredited acreage allotment concept for corn and grain sorghum. In the Agricultural Act of 1958 Congress provided corn farmers an opportunity to vote for or against corn acreage allotments. Corn producers threw out by a vote of 254,262 to 102,907 in a 1958 referendum, acreage allotments for corn. By a vote of more than 2 to 1 farmers rejected the alternative of corn allotments and higher price supports and voted for the elimination of corn allotments with a lower level of price supports. Corn allotments are not practical and have not resulted in curtailed production for a variety of reasons. We do not believe that a concept rejected by corn farmers in 1958 by a substantial majority should now be reinstated.

WILL NOT GREATLY REDUCE FEED SUPPLY

In the long run a temporary 1-year program of the type provided in this bill would aggravate rather than solve the basic problem of excess production capacity in agriculture. Retirement of land for 1 year only can be expected to replenish the fertility of that land.

An effective land-retirement program must provide for retirement of the same land for a period of years on a year-to-year basis; farmers will take out the less productive acres; thus the reduction in production will not be as great as the proponents of this bill anticipate. Under existing law every farmer can plant 30 acres of wheat for feed—thus many farmers will reduce corn and grain sorghum and plant wheat for feed.

It should also be noted that this bill permits the planting of any crop on the diverted acres that is not "price supported" or not in "surplus." The bill does not define "surplus," so this provision seems to be open to diverse interpretation.

WILL JEOPARDIZE EXPORTS

The bill would jeopardize the growing level of U.S. exports of feed grains and livestock products. Not only would the price situation be uncertain and subject to the discretion of the Secretary of Agriculture, but the availability of supply would be disrupted because such a large percentage of feed grain would have to pass through CCC hands.

In 1960 a new record volume of feed grains were exported. Under this program export subsidies will have to be increased. We will lose export markets.

Corn exports have gone up from a 1954-58 average of 152 million bushels to an estimated 215 million bushels for the current year. The total disappearance of corn has gone up from 3,272 million bushels in 1954-58 to an estimated 4,143 million bushels this year.

LARGE ADMINISTRATIVE EXPENSES

The bill seeks to obtain land retirement by an exceedingly difficult and cumbersome process. It would be necessary to obtain information for each farm of the acreage devoted to corn and grain sorghum, to calculate a farm corn-sorghum base, and to calculate a farm corn-sorghum allotment. This involves a great deal of paperwork and substantial delay. The same results could be accomplished much simpler by a cropland-adjustment approach. Every farmer knows what his cropland is. This information is recorded in county offices. Immediately after a cropland-adjustment percentage is announced, all farmers, with the exception of those following summer fallow practices, know what their cropland adjustment will be.

SET DANGEROUS PRECEDENT FOR OTHER PROGRAMS

Establishment of the feed grain program proposed in this bill would be a very real threat to the continuation of the price support programs now provided by law for cotton, rice, peanuts, and tobacco.

The Agricultural Act of 1949, as amended, provides a price support program for these commodities which serves to promote orderly marketing and maintain market prices by preventing the sale of CCC surpluses at less than the support price.

To permit the Commodity Credit Corporation to release its stocks to the market at a price equal to or below the price support level perverts the price support concept, changing it from a price floor to a price ceiling.

If Congress permits establishment of such a program for corn and grain, the next request from the Department of Agriculture may be for authority to establish a similar program for the commodities on which the agricultural economy of many States depends.

THE WHEAT-FEED GRAIN SITUATION

While there is a serious problem in feed grains, we would point out that the problem in wheat is also grave. If we are to arrive at a workable solution of the overall problem of excess stocks of grain, we are of the firm conviction that wheat and feed grains must be considered together and at the same time. This bill fails in this regard.

In order that members may better understand the overall grain situation, the following table which shows the average production, disappearance, and carryover of wheat and feed grains is submitted:

TABLE I.—Average output, disappearance, and carryover of wheat and feed grains—5 cropyears, 1956–60

Crop	Average production	Average use ¹	Production as percentage of use	Estimated 1961 carry-over	Estimated 1961 carry-over as percentage of 1960–61 use
Wheat (million bushels).....	1,181	1,091	108.2	1,526	132
Corn (million bushels).....	3,862	3,697	104.0	2,000	48
Feed grains ² (million tons).....	152	145	105.0	84	53

¹ Including exports.

² Totals for corn, sorghum grain, oats, and barley.

Data in table I indicate that:

(A) Annual wheat production over the last 5 years has exceeded annual disappearance by an average of 8 percent. The accumulated wheat carryover is 132 percent of total 1960 use.

(B) Annual feed grain output over the last 5 years has averaged 4 percent above annual utilization. The present carryover is equal to 53 percent of total 1960 use.

SUMMARY

In summary, the bill recommended by the committee majority is a hasty, ill-considered proposal. We recognize the need for legislation to deal with wheat and feed grains. We offer our full cooperation as members of the committee in developing as soon as possible a program designed to get at the basic causes of the surplus problem. If we begin now to work on such a proposal we can have it ready in time to be effective with regard to the fall plantings of crops to be harvested in 1962.

No short run, temporary, so-called emergency measure will cure the ills of a program that is so complicated and one that affects so many of our agricultural producers and consumers. Hasty action as proposed in this bill will create more problems than it will solve.

PAUL B. DAGUE.

PAGE BELCHER.

CLIFFORD McINTIRE.

CHARLES M. TEAGUE.

PAUL FINDLEY.

RALPH F. BEERMANN.

ADDITIONAL MINORITY VIEWS

We oppose section 3 of H.R. 4510 which provides: "Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized to sell any corn or grain sorghums during the marketing year for the 1961 crop of such grains at any price not less than 17 percent below the 1961 support price for such grains."

We feel that this unprecedented and unsound provision is not only ineffective, but is dangerous to the basic concepts of a free American agriculture.

Except for section 3, there are a good many valid features incorporated in H.R. 4510. The voluntary land retirement program, the use of payments in kind, the efforts to reduce surpluses and decrease Government costs are all commendable. There are two incentives provided for in the bill which are desirable. These are the rental payments to participating producers, and the requirement that producers of corn, grain sorghum, soybeans and any other feed grain or oilseed crop designated by the Secretary must participate in the land retirement program for corn and grain sorghum in order to be eligible for price supports. This constructive proposal along the lines of legislation we have previously sponsored has, however, been seriously impaired by the inclusion of section 3.

We find section 3 to be unacceptable because of the following reasons:

(1) This bill gives the Secretary of Agriculture the power to ruin the competitive marketing system which has served the Nation so well and so long. It puts CCC in the business of lowering and artificially depressing prices rather than in the position which it should be of raising prices and improving marketing conditions and farm income.

The Subcommittee on Livestock and Feedgrains partially recognized the danger when it refused the Secretary's request for authority to sell surplus feed grains at market prices in order to finance the payment-in-kind program. The majority of the committee has now failed to account for the even greater danger involved in section 3.

(2) It greatly decreases the value of the certificates issued for payments-in-kind. If Commodity Credit Corporation artificially holds the price down below the support level, farmers would in effect be receiving up to 20 cents per bushel less on their corn payment-in-kind certificates than they would if section 3 were deleted.

(3) It would result in the Commodity Credit Corporation becoming the chief handler of the corn and grain sorghum production in 1961. The market price could be set at some 17 percent below the 1961 support price and compliance corn and grain sorghum would naturally be marketed through Government channels. A farmer faced with the possibility of selling his corn at \$1.20 to the Government or \$1 on the market would naturally choose the sale to CCC. If compliance is achieved at the rate of 70 percent (a level contemplated by administration spokesmen) the total increased cost of CCC handling some

3 billion bushels of corn at \$600 million plus all the handling, transportation and interest charges involved would likely more than offset any possible cost reductions contained in the other portions of this legislation.

(4) It establishes for corn and grain sorghum a policy which Congress has never felt wise in regard to other commodities. As provided by present law, wheat, tobacco, rice, peanuts, and storable non-basic crops are not allowed to be resold through domestic market channels at less 5 percent above the support price. This year in fact most cotton will not be sold for less than 15 percent above the support price. The past administration did not allow the resale of dairy products for less than 13 parity points above the then support price, and we assume that such a policy will continue. Allowing corn and sorghum sales at below the support price is gross discrimination, to say the least.

(5) Section 3 will not accomplish the results which were intended when it was included for two reasons:

(a) It will not bring compliance. The 20-cent spread between compliance corn and noncompliance corn envisioned by section 3 is not sufficient to attract participation. In 1958 the spread was 30 cents per bushel. In 1957, it was 30 cents per bushel. In 1956, it was 25 cents per bushel, yet the overwhelming amount of corn produced in those years was not in compliance with allotments. Whatever incentive exists for participation rests in the land rental payments. This is true because some 70 to 80 percent of the corn and grain sorghum produced is ultimately fed. Therefore, the market depressing threat of section 3 is unnecessary.

(b) This holds no assurance of low prices to deficit feed areas. It creates the possibility, true, but it does not guarantee such results. If the purpose of the bill is, as administration spokesmen contend, to raise farm income to feed-grain producers, a provision which depresses their market prices artificially is undesirable as well as unnecessary.

CONCLUSION

Section 3 should be deleted because it delegates unwarranted and unneeded authority to the Secretary of Agriculture, it depresses the value of payment-in-kind certificates, it decreases the effectiveness of payment-in-kind program, it reduces the income of both compliers and noncompliers, it makes the Government the marketing agency for our major feed grains, and it acts as an ineffective instrument to force compliance while setting a very undesirable precedent. The adoption of section 3 could easily be the first step toward destroying our competitive market system while replacing it with a system whereby the Government sets the farmer's price, controls his production, and markets his produce.

CHARLES B. HOEVEN.
ALBERT H. QUIE.

SEPARATE MINORITY REPORT OF CONGRESSMAN HARLAN HAGEN RE H.R. 4510 AS REPORTED BY HOUSE AGRICULTURE COMMITTEE

I was opposed to this bill in the form finally approved by the House Agriculture Committee principally because of the omission of three important crops in the feed grain category from the acreage retirement program, to wit, barley, oats, and rye.

Such an omission represents a radical departure from the proposal of the Secretary of Agriculture to reduce all feed grains production through an incentive system of land retirement and the committee bill is, therefore, not the bill of the Secretary of Agriculture.

The omission of these three crops from the control features of the program in the case of those farmers whose major feed grains interest is in those crops leaves a large gap in the effective control of feed grains production.

This conclusion can be substantiated by certain facts. Under the formula presently in the law the price supports of barley, oats, and rye must be raised equally to any increase in the price support of corn. The Secretary has announced his intention of raising the price support of corn from \$1.05 a bushel to \$1.20 a bushel and the bill authorizes him to do this. The built-in production incentive offered barley, oats, and rye by this escalated price is further aggravated by the fact that reduction in the production of all other feed grains creates the prospect of market prices for unincluded crops even more inflationary in terms of production, and barley, oats, and rye farmers will undoubtedly respond with greatly increased production. Thus, what is apparently a feed grain control program is only a corn and grain sorghum control program which is inherently self-defeating.

The omission of barley, oats, and rye from the control program also has an aspect of inequity. If it is assumed that the land retirement payments from which the growers of these crops as their principal feed grains are excluded are more profitable than the actual returns from production—and this is a reasonable assumption at the rates established by the committee bill—these farmers are being denied a gratuity afforded the producers of all other feed grains. In practical effect this also causes discrimination against certain geographic areas of the country.

The elimination of the Secretary's program for barley, oats, and rye was made on the basis of two flimsy arguments.

1. That they were de minimis—that is to say their production was so insignificant as not to constitute a necessary part of a feed grain program. The facts are otherwise. The Commodity Credit Corporation presently owns 47,500,000 bushels of barley which cost the Government \$58,397,000; 10,721,000 bushels of oats, which cost the Government \$8,738,000; and 884,000 bushels of rye which cost the Government \$1,290,000. These surpluses were accumulated at support levels much lower than those which will obtain if this bill passes in its present form. With increased support levels of this magnitude

and unrestricted production a further accumulation of stocks at a cost to the Government in excess of an added \$150 to \$200 million is easy to foresee.

2. The second argument was that some barley and oats were already planted and, therefore, the farmer could fraudulently select the poorest portion of his crop for retirement and might even pregraze his crop before retiring it. This argument is a serious indictment of the honesty of our farmers. In addition it makes an invidious distinction without a difference between primary barley, oat, and rye farmers compared to corn and grain sorghum farmers. If the possibility of fraud is sufficiently present in the case of one crop to make a significant difference it is also inherent in the selection of acreage devoted to another and the logical conclusion would be that consideration of all land retirement programs should be abandoned because farmers will defeat them through their fraudulent acts. I do not subscribe to this opinion. I support the land retirement idea but I do not draw a distinction between one farmer who, following the pattern of the weather, etc., has already planted and another who farms in an area of a different planting pattern. Furthermore, it is a certainty that large quantities of grain sorghums will have been planted before this program goes into effect if passed and this fact points up the inequity of this argument.

HARLAN HAGEN.

ADDITIONAL VIEWS OF HON. HAROLD B. McSWEEN

It is important that section 3 be eliminated. Otherwise this bill would authorize the sale of surplus stocks at a price lower even than the support price. Such sales would depress the market price to the price level of such sales, causing the disruption (or elimination) of the corn and sorghum market. All compliers would sell to the Government. The support price would thus become the price ceiling rather than the price floor.

If the Government had the authority to arbitrarily "set" the market price through this mechanism it would become the principal rather than the residual buyer and seller of these grains.

(Originally this proposal provided for a freeze of existing CCC stocks, except for the operation of a payments-in-kind program.)

Our agricultural policy has always sought to protect the market price rather than to jeopardize it. Section 3 would authorize a reversal of this policy.

HAROLD B. McSWEEN.

ADDITIONAL MINORITY VIEWS OF HON. RALPH HARVEY,
OF INDIANA

I believe that since the Secretary has testified that \$1.20 per bushel for corn would be acceptable to him, and since the committee has not chosen to peg prices on a dollars and cents level as a policy, a percentage ceiling, to wit, 75 percent of parity, would be appropriate for the protection of both the Secretary and the committee.

RALPH HARVEY.

HON. RALPH BEERMANN, FOR CONSIDERATION WITH
THE MINORITY REPORT ON H.R 4510

Mr. Chairman, I concur in the minority report of this committee in its specific objections to this bill, and to that report I would like to add—

That I object to this bill because it violates the concept of free enterprise as outlined in the Constitution of the United States. It places a bonus on nonproduction at a time when administration leaders are exhorting to produce more. It will cause serious reverses in farm-business areas and in effect takes what is believed to be a problem in one field and distributes it over several. The bill's provisions tax the mentality of trained legal technicians. I can foresee the year ahead as a time when a farmer's skill at farming will not depend so much on his knowledge of soil and crops as it will on his skill at interpreting regulations.

That farms are currently producing more crops from less acreage each year. In 1960 a recordbreaking yield was produced from less land under cultivation than at any time since 1918. Yet farm income is smaller. The reason is not overproduction. It is because every product the farmer buys grows progressively more expensive.

That farmers have tried to adjust. They have consistently produced more crops per acre with less help in fewer hours.

That on the other hand the national philosophy seems exactly the reverse. Organized labor (and it is being encouraged in this trend by our national leaders), has condoned decreased efficiency, forced employment at unnecessary jobs, raised hourly rates, and resisted progress (automation).

That the differences in these philosophies is the farmer's problem, not overproduction. And those who favor more control of farming, as this bill provides, would do well to ponder what effect such action might have on the national economy in years to come.

That I believe the farmer needs help. But it should not come in the way of more controls, more complex regulations. Instead, Government should withdraw from the farm to let it function as does every other business. Let the farmer raise what he can use and sell. If he needs financial help let it be extended in the form of cash loaned on a percentage of his crop market price, backed by a realistic repayment plan. Extend this aid through Federal channels if need be.

That the right to free enterprise, as outlined in the Constitution, is based on individual initiative and freedom. Limiting either one or both of these is fraught with peril and can only bring harm to farmers, and if pursued, eventually the Nation.

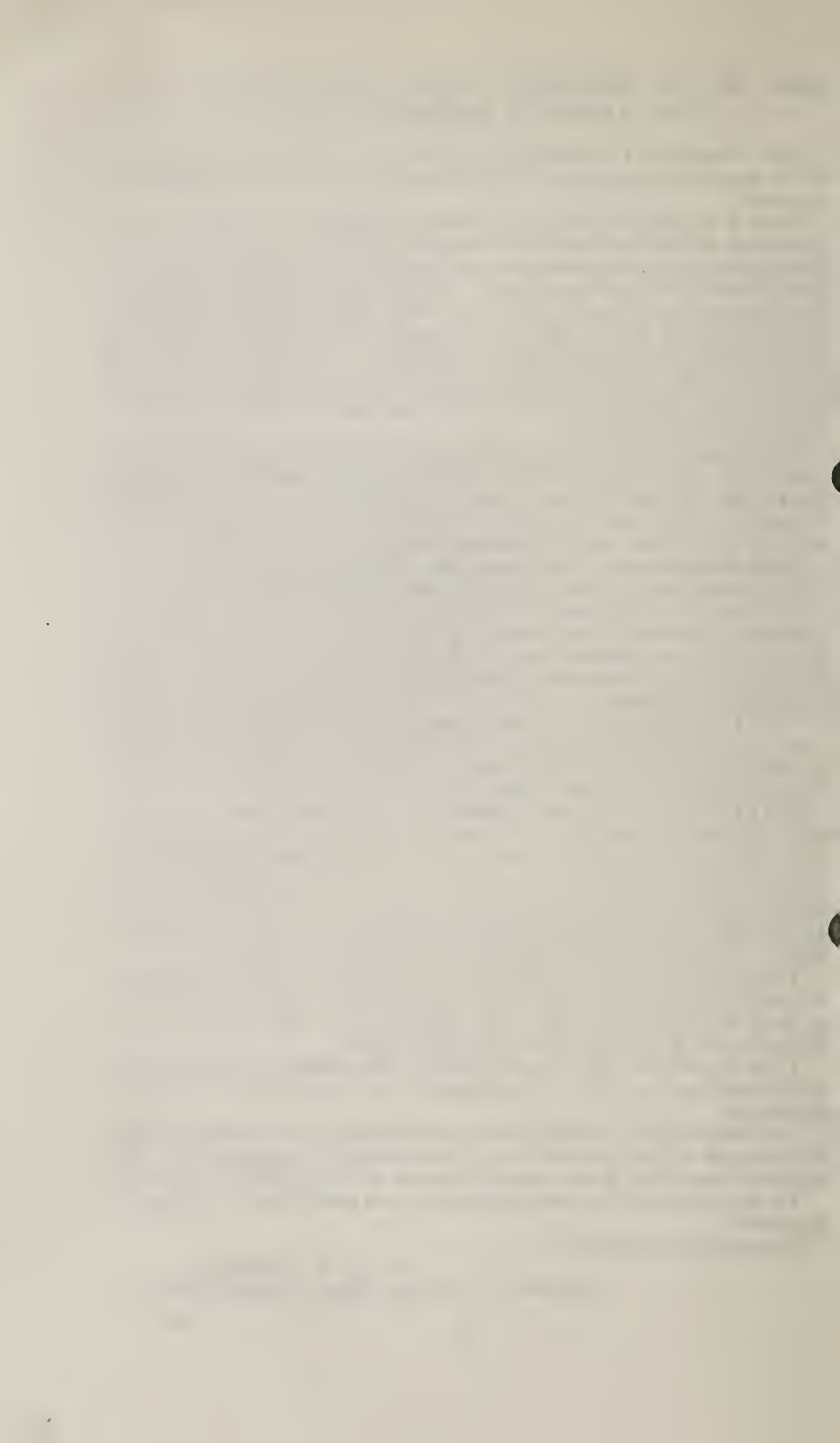
That in essence this bill asks farmers to relinquish their right to self-determination. By its provisions it can coerce farmers into participation.

And that while its inroad into farm freedom is excused on the basis of giving up a little freedom for a little security I cannot accept that idea any more than I can accept the idea of a little bit of pregnancy.

To sum up we either have freedom, or we don't have. I stand for freedom!

Respectfully submitted.

RALPH F. BEERMANN,
Member of Congress, Third Nebraska District.



87TH CONGRESS
1ST SESSION

H. R. 4510

[Report No. 29]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 17, 1961

Mr. POAGE introduced the following bill; which was referred to the Committee on Agriculture

FEBRUARY 27, 1961

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To provide a special program for feed grains for 1961.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 105 of the Agricultural Act of 1949, as
4 amended, is amended by adding the following new sub-
5 section:

6 “(e) Notwithstanding any other provision of law—

7 “(1) The level of price support for the 1961 crop
8 of corn shall be \$1.20 per bushel.

9 “(2) The level of price support for the 1961 crop
10 of oats, rye, barley, and grain sorghums shall be such
11 level as the Secretary determines is fair and reasonable

1 in relation to the level of price support for corn; taking
 2 into consideration the feeding value of such commodity
 3 in relation to corn and the other factors set forth in
 4 section 401(b) hereof.

5 “(3) The Secretary shall require as a condition of
 6 eligibility for price support on the 1961 crop of corn,
 7 grain sorghums, and any other feed grain which he may
 8 designate that the producer shall participate in the
 9 special agricultural conservation program for 1961 for
 10 feed grains to the extent prescribed by the Secretary.”

11 SEC. 2. Section 16 of the Soil Conservation and Domes-
 12 tic Allotment Act, as amended, is amended by adding the
 13 following new subsection:

14 “(c) Notwithstanding any other provision of law—

15 “(1) The Secretary shall formulate and carry out a
 16 special agricultural conservation program for 1961, with-
 17 out regard to provisions which would be applicable to
 18 the regular agricultural conservation program, under
 19 which, subject to such terms and conditions as the Sec-
 20 retary determines, conservation practice payments in
 21 amounts determined by the Secretary to be fair and
 22 reasonable shall be made to producers who divert acre-
 23 age from the production of corn, grain sorghums, and
 24 such other feed grains as the Secretary may designate,
 25 to an approved conservation use.

1 “(2) Obligations under such program may be in-
2 curred in advance of appropriations therefor (i) for
3 payments in cash in an amount not exceeding \$500,000,-
4 000, and (ii) for payments-in-kind for diversion of
5 acreage, within such limits as the Secretary may re-
6 quire, in addition to that required to be diverted in order
7 to be eligible for price support. Payments-in-kind shall
8 be made through the issuance of certificates redeemable
9 by the Commodity Credit Corporation in accordance
10 with regulations prescribed by the Secretary for feed
11 grains or, at the option of the producer to whom the
12 certificate is issued, for cash. To the extent such cer-
13 tificates are redeemed for cash, Commodity Credit Cor-
14 poration shall sell a sufficient quantity of feed grains at
15 the market price to cover the cost of such cash re-
16 demptions.

17 “(3) There are hereby authorized to be appropri-
18 ated such amounts as may be necessary to enable the Sec-
19 retary to carry out this section 16(c). The Commodity
20 Credit Corporation is authorized to advance from its
21 capital funds such sums as may be necessary to pay
22 administrative expenses in connection with such pro-
23 gram during the fiscal year ending June 30, 1961.”

24 SEC. 3. Notwithstanding any other provision of law, the
25 Commodity Credit Corporation is authorized to sell any feed

1 grain at market prices during the marketing year for the
2 1961 crop of such feed grain.

3 That section 105 of the Agricultural Act of 1949, as
4 amended, is amended by adding the following new subsection:

5 “(c) Notwithstanding any other provision of law—

6 “(1) The level of price support for the 1961 crop
7 of corn shall be established by the Secretary at such level
8 not less than 65 per centum of the parity price therefor
9 as the Secretary may determine. Price support for corn
10 and grain sorghums shall be made available on not to
11 exceed the normal production of each eligible farm as
12 determined by multiplying the harvested acreage of corn
13 and grain sorghums on the farm by the average yield per
14 acre for 1959 and 1960.

15 “(2) The Secretary shall require as a condition of
16 eligibility for price support on the 1961 crop of corn,
17 grain sorghums, soybeans, and any other feed grain or
18 oilseed crops which he may designate that the producer
19 shall participate in the special agricultural conservation
20 program for 1961 for corn and grain sorghums to the
21 extent prescribed by the Secretary.”

22 SEC. 2. Section 16 of the Soil Conservation and Domes-
23 tic Allotment Act, as amended, is amended by adding the
24 following new subsection:

25 (c) Notwithstanding any other provision of law—

“(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1961, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums to an approved conservation use and increase their average acreage devoted in 1959 and 1960 to designated soil conserving crops or practices by an equal amount: Provided, however, That any producer may elect in lieu of such payment to devote such diverted acreage to any crop not in surplus, not eligible for price supports, and not produced principally for livestock feed as may be designated by the Secretary. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn and grain sorghums in the crop years 1959 and 1950 or up

1 *to twenty acres, whichever is greater. Payments in cash*
2 *may be made on an amount of corn and grain sorghums*
3 *not in excess of the product of 50 per centum of the*
4 *average yield per acre for the farm for 1959 and 1960*
5 *multiplied by the number of such diverted acres. Pay-*
6 *ments in kind may be made by the Secretary for the*
7 *diversion of an additional 20 per centum of such corn*
8 *and grain sorghum acreage. Payments in kind may be*
9 *made on an amount of corn and grain sorghums not in*
10 *excess of the product of 60 per centum of the average*
11 *yield per acre for the farm for 1959 and 1960 multiplied*
12 *by the number of such additional diverted acres. In de-*
13 *termining the amount of conservation payments and price*
14 *supports for the 1961 crops of corn and grain sorghums,*
15 *the Secretary may make such adjustments in acreages*
16 *and yields for the 1959 and 1960 crop years as he deter-*
17 *mines necessary to correct for abnormal factors affect-*
18 *ing production.*

19 “(2) There are hereby authorized to be appropri-
20 *ated such amounts as may be necessary to enable the*
21 *Secretary to carry out this section 16(c). The Com-*
22 *modity Credit Corporation is authorized to advance from*
23 *its capital funds such sums as may be necessary to pay*
24 *administrative expenses in connection with such program*
25 *during the fiscal year ending June 30, 1961.*

1 “(3) Obligations under such program may be in-
2 curred in advance of appropriations therefor (i) for
3 payments in cash in an amount not exceeding \$500,-
4 000,000, and (ii) for payments in kind for diversion
5 of acreage, within such limits as the Secretary may re-
6 quire. Payments in kind shall be made through the is-
7 suanace of negotiable certificates redeemable for feed
8 grains by the Commodity Credit Corporation in accord-
9 ance with regulations prescribed by the Secretary.”

10 SEC. 3. Notwithstanding any other provision of law, the
11 Commodity Credit Corporation is authorized to sell any corn
12 or grain sorghums during the marketing year for the 1961
13 crop of such grains at any price not less than 17 per centum
14 below the 1961 support price for such grains.

A BILL

To provide a special program for feed grains
for 1961.

By Mr. POAGE

FEBRUARY 17, 1961

Referred to the Committee on Agriculture

FEBRUARY 27, 1961

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

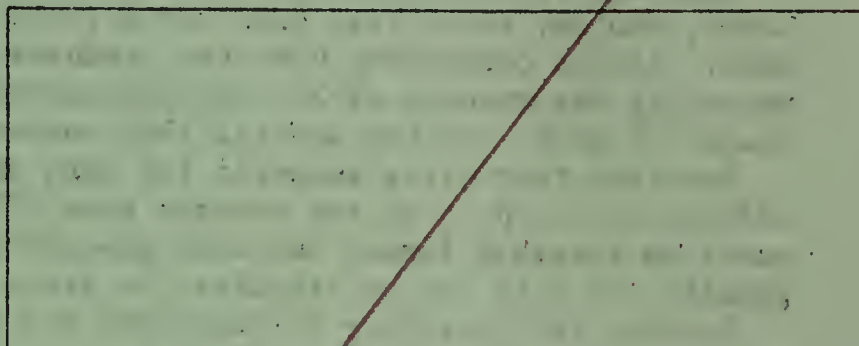
OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

CONTENTS

Issued March 1, 1961
For actions of February 28, 1961
87th-1st, No. 35

For Index, see page 10.



HIGHLIGHTS: House subcommittee approved minimum wage and reorganization bills. Sen. Fulbright urged expansion of small watershed program. Both Houses received President's message on highways program. Sen. Hruska introduced and discussed wool bill. Sen. Williams, N. J., (with others) introduced and discussed farm labor bills.

HOUSE

1. **ROADS.** Both Houses received from the President a message recommending various changes in the Federal pay-as-you-go highway program; to House Ways and Means Committee and Senate Finance Committee (H. Doc. 96). pp. 2663-6, 2589.
2. **LABOR STANDARDS.** A subcommittee of the Education and Labor Committee ordered reported to the full Committee H. R. 3935, amended, to amend the Fair Labor Standards Act and increase the minimum wage to \$1.25. p. D104
3. **REORGANIZATION.** A subcommittee of the Government Operations Committee ordered reported to the full Committee S. 153, amended, to amend the Reorganization Act. p. D104
4. **UNEMPLOYMENT COMPENSATION.** The Rules Committee reported a resolution for consideration of H. R. 4806, to provide for a temporary program of extended unemployment compensation. p. 2727
5. **SOIL CONSERVATION.** Rep. Marshall commended the ACP Program on its 25th anniversary and inserted the statement of Robert M. Koch on this subject. pp. 2691-2

6. FEED GRAINS. As reported by the Agriculture Committee, H. R. 4510, to provide a special program for feed grains for 1961, provides as follows:

Provides that the Secretary shall establish the 1961 support price of corn at some level above 65 percent of parity.

Provides that the 1961 support level of oats, rye, barley, and grain sorghums will be related to the support price for corn pursuant to the provisions of section 105(b) of the Agricultural Act of 1949, in which the bill makes no change.

Provides that eligibility for price supports on corn, grain sorghums, soybeans, and any other feed grain or oilseed crops which the Secretary may designate, will be contingent upon the producer retiring such percentage as the Secretary may require of his 1959-60 average plantings of corn and grain sorghums (if any) into the special 1961 conservation program.

Provides that price supports for corn and grain sorghums for 1961 will be made available only on the average (for 1959-60) production of the harvested acres on eligible farms, and that producers may exceed this figure without penalty but will not be eligible for price support on the excess.

Directs the Secretary to formulate and carry out a special conservation program in 1961 for corn and grain sorghums and authorizes cash payments of not more than \$500 million for such program.

Authorizes cash payments (or an equivalent amount in kind) at a rate of the support price times 50 percent of the average yield per acre (based on 1959-60 production) for retirement of 20 percent of corn and grain sorghum acreage (or 20 acres, whichever is greater) into the conservation program authorized by this bill.

Permits the producer to elect to grow on the retired acreage (in lieu of all payment) any crop designated by the Secretary which is not in surplus, not eligible for price support, and not produced principally as livestock feed.

Provides that among the conditions under which the land will be placed in the special conservation program that appropriate measures are taken to keep the land free from insects, weeds, and rodents and that there is an equivalent net increase on the farm in land devoted to soil conserving crops or practices (based on 1959-60).

Provides that in addition to the 20-percent reduction in corn and grain sorghum acreage, producers may, at their option, place up to an additional 20 percent of such acreage into the special conservation program under similar terms and conditions, except that payment for the additional 20 percent will be in kind, rather than in cash, with such payment-in-kind limited to a rate of not more than 60 percent of the average yield of the retired acreage for the years 1959 and 1960.

Provides that payment in kind will be made by issuing to eligible farmers negotiable certificates redeemable in feed grains by the Commodity Credit Corporation.

Permits CCC to sell a quantity of corn and grain sorghums during the 1961 marketing year sufficient to keep the price of those commodities from rising to a level where it would encourage farmers not to cooperate and to engage in unlimited planting.

7. BUDGETING. Rep. Pelly spoke in favor of his H. Res. 115, to prohibit "back-door financing," and stated that the House leadership is opposed to the measure. pp. 2701-3

3. REPORTS. Received the annual report of GAO. p. 2726

9. COMMITTEE EXPENSES. Agreed to various resolutions providing for expenses of committees, including H. Res. 94 for the Agriculture Committee and H. Res. 76 for the Post Office and Civil Service Committee. pp. 2666-81

H. Res. 70 was debated, with Rep. Hoffman and others charging that some of its investigations had been of a partisan political nature, but a final vote was postponed because of absence of a quorum. pp. 2668-75

SENATE

10. WATERSHEDS. Sen. Fulbright discussed benefits received from the small watersheds program and expressed hope that the administration will request supplemental appropriations "to move forward with this program." pp. 2592-3
11. NATURAL RESOURCES. Sen. McGee commended the President's message on natural resource development and inserted a newspaper article commending the message. pp. 2591-2
12. FEED GRAINS. Sen. Cooper inserted a letter and statement from Secretary Freeman comparing aspects of the feed grains proposal with the soil bank program. pp. 2623-7
13. MIGRATORY LABOR. The Labor and Public Welfare Committee reported without amendment S. Res. 86, to authorize the committee to investigate matters pertaining to migratory labor. p. 2569
14. FORESTRY. The Interior and Insular Affairs Committee reported without amendment S. 449, to extend until Jan. 31, 1962, the time within which the Outdoor Recreation Resources Review Commission shall submit its final report (S. Rept. 54). p. 2569
Sen. Morse inserted several resolutions from the Western Forestry and Conservation Assoc. relating to forest conservation and management. p. 2646
Sen. Humphrey urged the enactment of legislation to establish a wilderness preservation system and inserted his statement before the S. Interior and Insular Affairs Committee and a newspaper editorial favoring this legislation. pp. 2656-8
The "Daily Digest" states that the S. Interior and Insular Affairs concluded its hearings on S. 174, to establish a National Wilderness Preservation System. p. D102
15. NOMINATION. The Post Office and Civil Service Committee reported the nomination of John W. Macy to be a Civil Service Commissioner. p. 2569
16. IMPORTED DATES. Sen. Kuchel urged the enactment of legislation to amend the Agricultural Marketing Agreement Act of 1937 so as to extend its restrictions on imported commodities to include dates and products made principally from dates. p. 2609
17. BUDGET; EXPENDITURES. Sens. Bridges and Byrd., Va., urged support for a constitutional amendment to provide that Federal expenditures during any fiscal year may not exceed estimated receipts during that year and commended the Wyo. Legislature for passing a resolution supporting such an amendment. pp. 2605, 2615
18. AGRARIAN REFORM. Sen. Morse inserted an address by David Hume before the Inter-American Bar Convention in Bogota, Columbia, "Agrarian Reform in the Americas." pp. 2647-52
19. YOUTH PEACE CORPS. Sen. Humphrey inserted the preliminary report of the Albertson committee on the practicability of establishing a Youth Peace Corps for young persons to serve abroad in programs of technical cooperation. pp. 2652-6

20. DEPRESSED AREAS. The "Daily Digest" states that the Production and Stabilization Subcommittee of the Banking and Currency Committee concluded its hearings on pending area redevelopment legislation and that the Subcommittee will hold an executive session on Thurs., Mar. 2, to consider this legislation. pp. D101-2
21. COMMITTEE ASSIGNMENTS. The Post Office and Civil Service Committee assigned members to its subcommittees. p. D102
22. EDUCATION. Received from the President a proposed bill for Federal aid to public schools and to amend Public Laws 815 and 874, 81st Congress, relating to aid to schools in federally impacted areas; to Labor and Public Welfare Committee. pp. 2561-2
Received the annual report of the Commission of Education on Federal aid to schools in federally impacted areas. p. 2562
Sen. Morse inserted the text of the education bills received from the President and an explanation of them. pp. 2632-40
23. CIVIL DEFENSE. Received the annual report of the Office of Civil and Defense Mobilization. p. 2562
24. EXPORT CONTROL. Received from Commerce the quarterly report on export controls. p. 2562
25. LANDS; FORESTRY. Received a Wyo. Legislature resolution favoring enactment of legislation to grant to Wyo. funds equivalent to the amount of lost revenue due to the large amount of federally owned land within the State. p. 2564
26. SEED IMPORTS. Sens. Neuberger and Morse inserted an Ore. Legislature resolution urging the Tariff Commission to investigate and recommend to the President the establishment of an annual quota on fine fescue seed imports into this country. pp. 2566, 2568
27. RESEARCH. Sen. Carlson inserted a Kan. Legislature resolution urging the creation of a Federal evapotranspiration research center in Kan. p. 2567
28. CHEESE; FOOD ADDITIVES. Sen. Wiley inserted a petition of the Wisc. Swiss and Limburger Cheese Producers' Assoc. to the Food and Drug Administration urging revision of standards to permit the addition of harmless coloring to swiss cheese so that the color may be maintained uniformly and without seasonal variation. p. 2568-9
29. ADJOURNED until Thurs., Mar. 2. p. 2661

ITEMS IN APPENDIX

30. RIVER DEVELOPMENT. Rep. May inserted a newspaper article which lists advantages of the proposed treaty for development of the upper Columbia River in the Pacific Northwest. p. A1283
Rep. Aspinall inserted a speech by the Commissioner of Reclamation, Colorado River Water Users' Association, which he described as an excellent resume of the Colorado River development. pp. A1332-5
31. ELECTRIFICATION. Several Senators and Representatives inserted speeches which were delivered at the annual meeting of the National Rural Electric Cooperative

CUMBERLAND GAP NATIONAL HISTORICAL PARK

Mr. COOPER. Mr. President, on February 20 I introduced S. 1018, a bill to authorize the Secretary of the Interior to acquire approximately 9 acres of land for addition to the Cumberland Gap National Historical Park.

Senator BYRD of Virginia, Senators GORE and KEFAUVER, of Tennessee, and my colleague Senator MORTON joined me in introducing this bill, representing each of the States in which Cumberland Gap National Park is located and which contributed the land for the park.

I hope the Committee on Interior and Insular Affairs will consider the bill at its earliest convenience, and report it favorably to the Senate. It involves the preservation of the beauty of the park and has importance, not only to the people of Middlesboro, Ky., and the nearby communities in Tennessee and Virginia, but also to the thousands of visitors attracted to the park in increasing numbers.

I take this occasion to point out that the National Park Service has recommended acquisition of the land facing the entrance to the park, and that enactment of this bill has been recommended by the Department of the Interior. It has also been approved by the Bureau of the Budget.

The bill we have introduced is identical to the proposed bill sent to the Congress by the Department of the Interior on January 18. I ask that the letter addressed by the Acting Secretary of the Interior to the Vice President and to the Speaker of the House, which accompanied the bill and gives the reasons for its enactment, be printed in the RECORD following my remarks. I also ask that a letter I have received from the Honorable Henry Ward, chairman of the Kentucky State Park Board, which indicates that the State of Kentucky is willing to share a part of the cost of acquiring the acreage, be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT
OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington D.C., January 18, 1961.

HON. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft of a proposed bill to authorize the Secretary of the Interior to acquire approximately 9 acres of land for addition to Cumberland Gap National Historical Park, and for other purposes.

We recommend that this bill be referred to the appropriate committee for consideration, and we recommend that it be enacted.

The proposed legislation will provide authority for the addition of approximately 9 acres of land to Cumberland Gap National Historical Park.

The park contains the mountain pass of the wilderness road explored by Daniel Boone, and the locale for a part of the trans-Allegheny migration which extended the western boundary of the Thirteen Colonies to the Mississippi. Land for the park, 20,184 acres, was donated to the United States by the States of Kentucky, Tennessee, and Virginia, as provided in the

act authorizing the establishment of the park.

The nine-acre tract which lies outside of the designated park boundary should be acquired and added to the park in order to forestall its use for commercial purposes in a manner detrimental to the park. It is situated between the park boundary and Little Yellow Creek opposite the park visitor center. Access to the tract may be had from U.S. Highway 25E. It is now zoned for medium density housing but efforts have been made recently to have the property rezoned commercial. The city of Middlesboro has so far rejected the efforts, but additional demands are anticipated.

In a resolution of May 3, 1960, the Common Council of the City of Middlesboro, Ky., passed a resolution to exclude the nine-acre tract from the corporate limits if it is acquired for inclusion in the park. This resolution would appear to satisfy the desire of the Congress, expressed in section 2 of the act of June 11, 1940, as amended (57 Stat. 85; 16 U.S.C. 262), not to include in the park any land in the city limits which the officials of the city feel is required for expansion of the city.

In view of the past cooperation of the States in acquiring land for the park, and the expressed willingness of the Commonwealth of Kentucky to assist in acquiring the nine-acre tract described in this bill, the draft bill provides for the expenditure of Federal funds to acquire the property but limits such expenditure to no more than half of the acquisition costs.

It is estimated that if the bill is enacted the cost of acquisition to be borne by the United States will be approximately \$30,000.

The Bureau of the Budget on January 16, 1961, advised that there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,
GEORGE W. ABBOTT,
Assistant Secretary of the Interior.

COMMONWEALTH OF KENTUCKY,
DEPARTMENT OF HIGHWAYS,
Frankfort, Ky., January 27, 1961.
Hon. JOHN SHERMAN COOPER,
U.S. Senate, Senate Office Building,
Washington, D.C.

DEAR SENATOR COOPER: I have read with interest the proposal of the Department of the Interior which you enclosed in your letter of January 23 to me which approves the passage of legislation by Congress authorizing participation by the Federal Government in the purchase of additional land for Cumberland Gap National Park. Inasmuch as I was commissioner of conservation during the period when the State of Kentucky bought the last of the land for the Cumberland National Park, I can testify that we acquired the land which the National Park Service indicated was essential for the park development. Under the circumstances, I think the State of Kentucky could well insist that any additional purchases be made wholly at the expense of the Federal Government. I certainly believe that Congress would be perfectly justified in authorizing the purchase of the additional acreage wholly at the expense of the Federal Government.

However, I am authorized to state as chairman of the Kentucky State Park Board that if this action on the part of Congress is not possible, that we still recommend that this additional land be secured. In the event legislation of the type as outlined in the attached bill is the only type of legislation which can be secured, I will be prepared as chairman of the State park board to make a recommendation that the State of Kentucky participate in the cost of acquiring the additional acreage which I very definitely think should be secured for the benefit of Cumberland National Park.

With best wishes for success in the session ahead, I am,

Yours very truly,

HENRY WARD,
Commissioner.

EMERGENCY FEED GRAIN PROPOSAL OF SECRETARY OF AGRICULTURE

Mr. COOPER. Mr. President, the emergency feed grain proposal of the Secretary of Agriculture is similar in certain respects to the corn soil bank which was in effect in 1956, 1957 and 1958.

On February 8, when this proposal was first outlined to the Senate Committee on Agriculture, I wrote Secretary Freeman, asking for a comparison of the new plan with the old corn soil bank. Yesterday, I received the analysis from the Secretary, and I ask unanimous consent that the analysis and the exchange of letters be printed in the body of the RECORD.

Because solution of the feed grain problem is difficult, because the emergency proposal involves a cost of at least \$500 million, and because there has not been time for extended hearings, I think this information may be useful to Members of Congress who must study this matter and will have to vote on the bill as well as to organizations and farmers who will be directly affected by it.

I point out that this analysis is in terms of the task force proposal, which called for price support to cooperators at a \$1.30 per bushel with cash payments for retiring 24 percent of the acreage at 50 percent of the 1959-60 yield, and payments in kind at two-thirds of normal yield for retiring up to an additional 24 percent of corn acreage.

The administration proposal now before the Senate committee proposes price supports for corn at a \$1.20 for cooperators, cash payments for retiring 20 percent of the corn acreage at 60 percent of normal yield, and payments in kind for retiring up to an additional 20 percent of corn acreage at two-thirds of normal yield.

I understand that the bill reported yesterday by the House Committee on Agriculture proposes discretionary price supports for corn for cooperators, cash payments for retiring 20 percent of the corn acreage at 50 percent of the normal yield, and payments in kind for retiring up to an additional 20 percent of the corn acreage at 60 percent of normal yield.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement regarding the feed grain proposal of the Secretary of Agriculture, my letter to him and his response, and an analysis of the old acreage reserve plan as relating to corn.

There being no objection, the letters and analysis were ordered to be printed in the RECORD, as follows:

FEBRUARY 8, 1961.

HON. ORVILLE L. FREEMAN,
Secretary of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: As a member of the Senate Committee on Agriculture, I am of course very much interested in the proposals for emergency action, to improve the price

of feed grains, and to reduce surplus supplies and costs to the Government, contained in the task force report to President.

It seems to me that cash payments for reducing corn and other feed grain acreage is similar to the acreage reserve program of the soil bank, for this was also a voluntary program with incentives in the form of cash payments to farmers who placed part of their corn allotment in the corn soil bank. It would be helpful to members of the committee, I should think, to review the results of that program, and to compare it with the proposals of the task force.

I would appreciate very much receiving before the next meeting of the committee an analysis by your Department of the corn soil bank—including the amounts paid per acre and the level of market prices and price supports at that time; the number of farmers participating; the reduction of acreage accomplished; the reduction in production if any, and the costs of that program—by crop years and for the total period.

I would also appreciate your comments as to how the task force proposal differs from the old corn soil bank—indicating the amounts to be paid per acre as related to anticipated market prices and proposed price support levels, including those of alternative crops—and what the new proposals might be expected to accomplish in the light of our experience with the corn soil bank.

Sincerely yours,

JOHN SHERMAN COOPER.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., February 24, 1961.

Hon. JOHN SHERMAN COOPER,
U.S. Senate.

DEAR SENATOR COOPER: In response to your request of February 8 I have had the attached analysis prepared of the acreage reserve program of 1956-58, including a comparison of its features and the task force feed grain program.

Sincerely yours,

ORVILLE L. FREEMAN.

COMPARISON OF ACREAGE RESERVE WITH FEED-GRAIN TASK FORCE PROPOSAL

1. THE ACREAGE RESERVE PROGRAM

The acreage reserve program was in effect during 1956, 1957, and 1958. Under this program farmers who agreed to reduce their acreages of wheat, corn, upland cotton, rice (peanuts and extra long staple cotton in 1956 only) and most types of tobacco below their allotments for these crops were eligible to receive annual payments from the U.S. Department of Agriculture to compensate them for loss of income. The program was effective for corn and wheat only in areas designated as commercial under acreage allotment programs. Agreements or contracts were for 1 year, but in 1958 a 10-percent premium payment was offered to induce farmers to continue the same land in the reserve and thus reduce the yield-increasing effect of returning rested land to crops. Land in the acreage reserve had to be designated. No crops could be harvested from it, nor could it be grazed except in desig-

nated drought areas. In 1956 and 1957 there were no restrictions on uses that could be made of remaining land on farms where part of the land was placed in the program. Acreages of other crops, for example, could be increased by shifting land from pasture to crops. However, in 1958, farmers who participated were required to reduce their total harvested acreage of crops designated as soil-bank-base crops by the acreage they placed in the program. Soil-bank-base crops were cultivated crops, grains, and most others except those harvested for hay or forage.

The program for 1956 was late in being introduced, and requirements for participation were not announced until June 8. It contained special features.

The extent of participation by corn producers in the acreage reserve is shown in tables 1 and 2. Information concerning the number of farm operators participating is not available. It would be somewhat lower than the number of agreements since some operators had more than one agreement.

Table 1 indicates that a rather small proportion of corn producers participated in the program, but table 2 shows that those who went into the program retired a high proportion of their corn acreage but reduced overall potential production by only 10 to 14 percent.

Table 3 contains data on corn production, yields, corn allotments, and acreage reserve participation, with information on corn production for years before and after the acreage reserve program.

Table 4 summarizes corn price supports and U.S. average farm prices for corn from 1954 to 1960.

TABLE 1.—Corn: Participation in the acreage reserve program of the soil bank

Items	Units	1956	1957	1958	Items	Units	1956	1957	1958
Agreements.....	Thousand.....	315	324	356	Allotment acres.....	Thousand.....	43,281	37,289	38,818
Acre in the reserve.....	do.....	5,316	5,233	6,658	Proportion of—				
Payments.....	Thousand dollars.....	179,664	196,418	282,255	Allotment farms with acreage				
Payment per reserve acre.....	Dollars.....	33.80	37.53	42.39	reserve agreements.....	Percent.....	18.6	18.1	19.4
Payment per agreement.....	do.....	570.80	606.82	793.32	Allotment acres placed in				
Acre per agreement.....	Number.....	16.9	16.2	18.7	acreage reserve.....	do.....	12.3	14.0	17.2
Allotment farms.....	Thousand.....	1,698	1,790	1,832					

TABLE 2.—Corn: Allotted acres, acreage reserve participation, reduction from historic acreage and estimated reduction in production¹

Items	Unit	1957	1958	Items	Unit	1957	1958
1. Total commercial area allotment acres.....	Thousands.....	37,289	38,818	7. Reduction from historic acreage by participants (4-6).....	Thousands.....	10,175	12,070
2. Allotment acres for participants.....	do.....	7,535	7,963	8. Percentage reduction in acreage by participants (7÷4).....	Percent.....	81.5	90.2
3. Percentage of participation (2÷1).....	Percent.....	20.2	20.5	9. Estimated reduction in production as percent of actual production for all farms.....	do.....	9.6	13.0
4. Historic acreage for participants.....	Thousands.....	12,476	13,375				
5. Reserve acreage for participants.....	do.....	5,233	6,658				
6. Permitted acreage for participants (2-5).....	do.....	2,302	1,305				

¹ Data are not shown for 1956 because allotments were not used in the program for that year.

² Derived by dividing allotted acres in item 2 by the proration factor used for determination of State allotments.

TABLE 3.—Corn: Acreage allotments, acreage reserve, and planted acreage, yields, and production in commercial and noncommercial areas, 1954-60

Items	Unit	1954	1955	1956	1957	1958	1959	1960
Commercial area: ¹								
Allotments.....	Million acres.....	47.0	49.8	43.3	37.3	38.8		
Acreage reserve.....	do.....			5.3	5.2	6.7		
Allotments less acreage reserve.....	do.....			38.0	32.1	32.1		
Planted.....	do.....	60.2	60.0	57.9	54.0	54.5	64.6	64.1
Yield per acre.....	Bushels.....	43.4	43.4	49.6	52.1	57.0	55.8	57.5
Production.....	Million bushels.....	2,614	2,608	2,874	2,813	3,103	3,602	3,686
Noncommercial:								
Planted acres.....	Million acres.....	22.0	21.1	20.3	19.9	20.0	19.8	18.8
Yield per acre.....	Bushels.....	20.2	29.5	28.7	30.5	34.8	34.3	35.5
Production.....	Million bushels.....	444	622	581	609	698	679	667
U.S. totals:								
Planted acres.....	Million acres.....	82.2	81.1	78.2	73.9	74.5	84.4	82.9
Yield per acre.....	Bushels.....	37.2	39.8	44.2	46.3	51.0	50.7	52.5
Production.....	Million bushels.....	3,058	3,230	3,455	3,422	3,801	4,281	4,353

¹ Acreage, yield, and production for each year in the area determined as the 1958 commercial corn-producing area.

² "Base acreage" was 51,000,000 acres.

TABLE 4.—*Corn: National average level of price supports and U.S. average prices received by farmers, 1954-60*

[Dollars per bushel]

Year	Price support levels, commercial area ¹		U.S. average farm price	Year	Price support levels, commercial area ¹		U.S. average farm price
	To compliers	To noncom- pliers			To compliers	To noncom- pliers	
1954	1.62	(2)	1.43	1958	1.36	1.06	1.12
1955	1.58	(2)	1.35	1959 ²	1.12		1.04
1956	1.50	1.25	1.29	1960 ²	1.06		.96
1957	1.40	1.10	1.11				

¹ Support in noncommercial area was at 75% (82.5% for 1956) of rate that would have been in effect if designated as a commercial area.

² Supports were available to all producers at the same national rate. Acreage allotments were discontinued beginning with the 1959 crop.

³ Supports were not available to noncomplying farmers prior to 1956.

Table 5 contains estimates prepared by the Soil Bank Division, CSS, showing payments per acre under the acreage reserve, the estimated reduction in production, and payment cost per bushel of reduced production. In most years when there were corn allotments in the commercial corn area, most producers did not comply with allotments and therefore the allotment was substantially over-

planted. The acreage reserve program required them to reduce below their allotments (or base acres in 1956) and paid them only for the reduction below allotments. Conversely, those who already were planting less corn than their allotment, received payments based on the acreage by which they were below their allotment. The estimated reduction in production includes

an allowance for the total reduction made by farmers. This explains most of the difference between the cost per bushel of reduction accomplished in 1957 and 1958 and the payment rate of \$0.90 per bushel of normal yield on the acres reduced below the allotment level. The high per bushel cost in 1956 resulted from the special drought-relief features of the program in that year.

TABLE 5.—*Corn: Allotment acres in acreage reserve, estimated reduction in production, total payments, and payments per acre and per bushel of production reduced ¹*

Items	Unit	1956	1957	1958	Items	Unit	1956	1957	1958
Allotment acres in programs	Thousands	2 5,316	5,233	6,658	Estimated reduction in production as percent of actual production:				
Estimated reduction in production.	Thousand bushels	112,500	329,000	493,000	U.S. total	Percent	3.3	9.6	13.0
Total payment	Thousand dollars	179,664	196,418	282,255	Commercial area	do	3.9	11.7	15.9
Payment per acre in reserve	Dollars	33.80	37.53	42.39					
Cost per bushel of production reduced.	do	1.60	0.60	0.57					

¹ Estimates prepared by Soil Bank Division, CSS, Feb. 9, 1959.

² In 1956 corn bases were in effect instead of allotments.

2. COMPARISON OF FEED-GRAIN TASK FORCE PLAN AND THE ACREAGE RESERVE

Task force proposal

1. Voluntary in 1961. Mandatory thereafter.

2. Freeze CCC stocks except for a payments-in-kind program.

3. Limit price support to those who participate. These must reduce acres of corn and/or sorghums by 24 percent for price support in 1961.

4. Stocks acquired in 1961 program year to be released in following 12 months.

5. Program limited to corn and sorghum except in small grain regions where it also applies to oats and barley.

6. Base for calculating reductions in production to be paid for is in bushels. (Reduction below 1960 acres times 1959-60 yields.)

7. Conservation practice payments at 50 percent of gross value of production on retired feed grain acres (based on 1959-60 yield times \$1.30.)

Payments made for all acres taken out below 1960 (the 24 percent reduction).

8. No cross-compliance except for total acres of corn plus sorghums (and other small grains in applicable areas.)

Acreage reserve

Voluntary.

No similar provisions.

No special price-support for participants in acreage reserve. Price supports at a lower level available to noncompliers with allotments. In 1956 participants had to put at least 15 percent of corn base acres in either acreage reserve or conservation reserve. In 1957 and 1958 the high price support was available to cooperators who did not exceed their acreage allotment.

No similar provision.

Applied to corn and wheat (in commercial areas only), also upland cotton, rice and tobacco. Peanuts and extra long staple cotton, 1956 only.

Base for calculating reductions to be paid for was the acreage allotment. (In 1956 a concept of "corn base acres" was used.)

Payments based on normal yield times 90 cents a bushel (60 percent of support price in 1956; 64 percent in 1957 and 66 percent in 1958.) Payments made only on acres reduced below allotments (or base in 1956).

No cross-compliance until 1958 except that any participant in the conservation reserve, or the acreage reserve for any commodity had to comply with all crop allotments on the farm. In 1958, had to reduce total acres of those harvested crops designated as "soil bank base."

2. COMPARISON OF FEED-GRAIN TASK FORCE PLAN AND THE ACREAGE RESERVE—continued

Task force proposal

9. Soil conservation practices required on retired land and land may not be employed in any productive use.

10. Support level equals \$1.30 per bushel for corn. Other feed grains at equivalent prices.

11. Optional payment-in-kind at two-thirds of yield for each additional acre retired in excess of item 3 above of corn and/or sorghum acres. (Not to exceed 24 percent.)

Acreage reserve

No conservation practices required.

Support levels on corn:

	Compliers with allotments	Noncompliers with allotments
1956	\$1.50	\$1.25
1957	1.40	1.10
1958	1.36	1.06

(other grains also supported and corn in noncommercial areas).

A 5-percent incentive was offered to those who would take available feed grains in lieu of cash.

3. COMPARISON OF COST AND EFFECTIVENESS OF REDUCING FEED GRAIN PRODUCTION BY ACREAGE RESERVE AND TASK GROUP PROPOSAL

A direct comparison of costs incurred in reducing production by the acreage reserve program with anticipated costs under the Task Force plan is difficult.

Superficially, Table 2 indicates that participating farmers in 1958 reduced their own potential corn production about 90 percent, at a land rental cost of 90 cents a bushel and a realized payment cost of 57 cents a bushel when compliance with allotments meant an additional support price of 30 cents a bushel. The overall potential production was reduced 13 percent.

In 1957, overall potential production was reduced an estimated 10 percent and potential production on participating farms by 82 percent at the same land rental rate and a realized payment cost equal to 60 cents a bushel of reduction. In 1957, compliance with allotments brought an increase in supports of 30 cents a bushel. There was only 10 percent additional participation in terms of number of agreements but a 27 percent increase in reserve acreage in 1958. Most of the improved performance of the program in 1958 is a result of the tighter restrictions imposed and of 3 years of informational efforts among farmers.

The realized payment cost appears to be more comparable with the Task Force conservation payment than the \$0.90 diversion payment for reasons given previously. The Task Force plan envisions a reduction of almost 20 percent in production on complying farms at a cost of 65 cents a bushel in payments with support prices at \$1.30 a bushel, which is 24 cents above the probable price support rate for 1961 of \$1.06, and 34 cents above the January 15 farm price of 96 cents. This 20-percent reduction is expected to be realized from a 24-percent reduction in acres. The inducements of the two plans appear to be roughly comparable.

Experience of the land retirement program of 1956-58 indicates that feed grain production may continue to rise even with sharp reductions in potential production. Effects of the acreage reserve and conservation reserve programs cannot be sharply delineated but tables 6 and 7 contain acreage and production information that helps to judge the combined effects of both, and some of the special effects of the acreage reserve. Data for wheat and soybeans also are shown on these tables.

From table 6 it can be seen that total feed grain acreages dropped about 10 million acres from 1955 to 1956. This is only a little more than the acreage of corn allotment land put into the soil bank plus the increased acres

in wheat and soybeans. In 1957, corn acreage dropped by only 4 million acres with payments made on 5.2 million acres while total corn allotment land in the soil bank remained about the same as 1956. Acreage seeded to barley increased by 1.7 million acres. Acres of all soybeans planted increased by 5 million, and grain sorghums harvested rose by 10 million acres. In 1958, soybean and corn acreages increased somewhat but total feed grain acreages dropped by 4.5 million acres. Corn allotment acres in the soil bank increased, and the tighter program controls apparently encouraged reductions in acreages of other feed grains. Wheat acres seeded however increased sharply, and this also tended to reduce acreages of barley and grain sorghums.

Examination of total feed grain acreages in 1955 and 1959 suggests that the acreage reserve program held down the total acreage of feed grains significantly.

Table 7 indicates that the acreage reserve was not effective in controlling the rising trend in feed grain production largely because of yield increases. The 1958 sorghum yield of 36.6 bushels per harvested acre was nearly double the 1955 yield of 18.9 bushels. After a minor decrease from 1955 to 1956, probably caused by the drought, feed grain production increased steadily each year. Soybean output also rose substantially during this period.

TABLE 6.—Feed crops and wheat acreage, 1955-60

[In acres]

Year	Wheat seeded ¹	Soybeans planted	Corn planted	Oats seeded	Barley seeded	Grain sorghums harvested	Three feed grains planted plus grain sorghums harvested	Year	Wheat seeded ¹	Soybeans planted	Corn planted	Oats seeded	Barley seeded	Grain sorghums harvested	Three feed grains planted plus grain sorghums harvested
	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Millions		Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Millions
1955	58,241	19,959	81,097	47,523	16,335	12,866	157.8	1958	56,269	25,270	74,513	38,406	16,309	16,653	145.9
1956	60,658	21,960	78,219	44,691	14,835	9,342	147.1	1959	57,722	23,407	84,390	35,937	16,992	15,572	152.9
1957	49,852	22,149	73,947	42,577	16,535	19,503	152.6	1960	55,633	24,463	82,906	32,337	15,641	15,444	146.3

¹ Includes wheat seeded preceding fall.

TABLE 7.—Feed crop and wheat production, 1955-60

Year	Wheat	Soybeans	Corn	Oats	Barley	Grain sorghums	Four feed grains	Year	Wheat	Soybeans	Corn	Oats	Barley	Grain sorghums	Four feed grains
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million tons		Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million tons
1955	936	374	3,230	1,503	401	243	130.9	1958	1,462	580	3,801	1,416	475	610	157.6
1956	1,004	449	3,455	1,163	377	206	130.2	1959	1,127	533	4,281	1,066	422	585	163.5
1957	951	484	3,422	1,301	437	564	142.9	1960	1,363	559	4,353	1,162	423	638	168.5

The task force plan should be more effective in controlling total feed grain output in the first year of operation. The denial to noncompliers of price supports on all feed grains would give a stronger impetus to participation and the margin between market price and the support level probably would be somewhat wider than the former differential between participating and non-participating supports. Freezing CCC stocks would narrow this differential but this would be offset in part if payment-in-kind is large. If the program were continued for several years, rising yields might have an effect similar to that of the acreage reserve period.

The task group was unable to estimate the degree of acceptance of the payment-in-kind feature. There was no directly comparable scheme in the acreage reserve plan. The 5-percent incentive for payment-in-kind was available all 3 years but was used to a very limited extent. The maximum use of payments in kind was in 1956 when they amounted to about \$3 million for all feed grains. This feature might contribute materially to production reduction if the conservation practices required on the land taken out were not expensive.

ADDRESS BY SENATOR KEATING BEFORE EASTERN AREA MEETING OF UNITED PRESBYTERIAN MEN

Mr. CASE of New Jersey. Mr. President, the recent celebration of Brotherhood Week should serve to remind all Americans about the need to strengthen the moral fiber of our Nation. Our spiritual strength is vital in the world conflict with communism, and it is essential for the building of our internal capacities.

These truths and others were underscored in eloquent fashion by our distinguished colleague, Senator KENNETH B. KEATING, in a recent address to the eastern area meeting of the United Presbyterian Men at the Statler-Hilton Hotel in New York City. I noted with particular interest Senator KEATING's emphasis on the need for the establishment of a code of ethics for Congress, so that there will be no double standard of ethics—one for the executive and another for the legislative branch of Government.

I think this speech merits wide circulation, and I therefore ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR KENNETH B. KEATING, OF NEW YORK, BEFORE THE EASTERN AREA MEETING OF THE UNITED PRESBYTERIAN MEN AT THE STATLER-HILTON HOTEL, NEW YORK CITY, FEBRUARY 18, 1961

Today we live in an age of tremendous ferment. Great new pressures of history are reshaping the world—politically, socially, economically—creating a new context in which men must live, must learn to live. Humanity isn't resting at a milestone in time, as it so often has in past centuries. It is moving in an accelerated, almost feverish march toward new goals, new dreams, new destinies. A major aspect of this new search, this new striving, emerges with each passing day. It is the quest for an ever-enlarging area of freedom, of dignity, of self-fulfillment on the part of those who have hitherto enjoyed only the fringe benefits of democracy, or no benefits at all.

This is a quest with which every Christian should, by his very name of Christian, be identified. In our own Nation it must take

the form of the release of the manmade chains that bind humanity to the past, a release of the great potentialities that now lie imprisoned behind the barriers of discrimination based on race, color, creed, and national origin. As Americans we cannot, in justice, in terms of our avowed concept of brotherhood, or in patriotism, continue to keep the gold of our citizen's talent, the gold of their energies, their dedication locked in a sealed vault of bigotry and discrimination.

By the same token, we cannot, in good conscience, wring our hands over the denial of human rights in remote lands—in lands half a world away—if we continue to deny human rights, legal rights, God-given rights—to any American because the color of his skin is different from ours. The color of his heart is not—nor is there a distinction in the priceless value of his soul. Freedom, dignity, equality—these must not be made oratorical catchwords, but living realities. And until they are, we cannot hope to persuade the teeming millions who stand at the crossroads of history that the road to their best future is the road marked "Democracy." Until such phrases become living realities, we give communism the card that trumps the fine words we speak and the good deeds we perform in the name of freedom, dignity, and equality.

As a member of the Congress, I have been proud to stand in the forefront of this struggle to make freedom and equality in our land realities rather than slogans—and I shall continue in this struggle, because I believe that the American Constitution was conceived as a shelter for all, with none outside the door of freedom, none forced to stand in the cold of injustice, and of a rationed equality.

Jesus said, "A new commandment I give unto you; that ye love one another; as I have loved you, that ye also love one another. By this shall all men know that ye are my disciples, if ye love one to another."

In ancient times our brother was simply defined. He was of the tribe, of the community, of the homogeneous grouping that race, and geography and color and creed delineated. But the definition of Jesus was not confined by mountains, by borders, by oceans. It was the divine concept of fellowship—in Christ—an all-encompassing union that made men brothers because they came not from the same land—but from the same hand—the creating hand of God.

Particularly at this time, in a week formally dedicated to the concept of brotherhood should we remember that all our brethren do not stand as we, in the sunlight of freedom and equality. The darkness of bias, of prejudice, of hatred, is a man-made darkness and it remains for men to scatter this darkness, to make it disappear from the land. And, on the larger world scene, as new nations emerge into the light of freedom, we must extend the hand of brotherhood to them. At the same time as the pressures of history make our world smaller, love must make our hearts larger, to make room for all men of good will—to bear witness to them that while America may be oceans away in distance it is only a heartbeat away in brotherhood.

We speak so often of the way to fight against the contrived and fallacious brotherhood of communism. And so often, that it seems like a perversity, we miss the whole point. There is only one way to fight godlessness—and that is with godliness—in its true, its deep, its fullest meaning.

The greatest anti-Communist weapon we have is the practice of Christianity. Not the mere affirmation of Christian beliefs. Not the testimony of words, alone, but the dynamics of action. Man must live what he believes, else his beliefs have no life. He must translate the concept of love into the

reality of love, he must translate the thought of brotherhood into the act of brotherhood.

He must make Christ not a name but a revelation, not a symbol but a presence, not a dream but a fulfillment. If he does not, he stands, a Christian soldier in name alone, without arms, without armor, naked before his enemy, vulnerable unto death.

Christ was a man of action. He remade the world. And His voice, His message ring to this day across the centuries, clear as truth is clear, only seeking to be heard, to be believed, to be diffused and, above all, to be translated into the deeds that give it meaning.

History holds no more tremendous irony than this: That communism owes its growth to its success—not in fighting Christianity but in counterfeiting it. The Communists have acted to replace God by dressing up man as a god. They have taken the Christian concept of fellowship and made it a brotherhood in slavery rather than a brotherhood in freedom. They have minted the currency of hatred—and circulated it as the currency of love.

In its true essence, therefore, communism stands before us as a spiritual challenge. Only secondarily is it a military challenge. They way to meet it, to vanquish it, was revealed to us 2000 years ago. It is not a passive way, unless men make it passive, and so foreswear it. It is a militant way, with a marshaling of the soul's strength, the heart's resolve, the body's energy.

Only Christianity in action is true Christianity—and only true Christianity—Christianity that makes Christ living, loving and real, is the sublime and certain road to peace in our hearts, peace in our consciences, peace in our world.

In a pushbutton universe, where man is mesmerized by his own magic, where computers are our new Delphic oracles, where speed is less a rate of movement than a way of life—we have glorified such words as automatic, prefabricated, and instant. And when I speak of instant, I'm not referring alone to the magic whereby a teaspoonful of powder becomes a cup of hot coffee before your eyes. Or of breakfast cereal that is cooked not in minutes but in split seconds.

You remember the days when your mother used to spend hours preparing a meal. Now a huge corporation is the family cook, and assembly line dinners, untouched by human hands, come to us preplanned and precooked. Today the only requisite for serving a meal is the knowledge of how to open an oven door. And this elimination of the time dimension is not confined to material things alone. The other day I saw an advertisement for a course in "Instant French."

But let not this concept of the easy way be transferred into spheres where it does not belong. Let us remember that there are no such things as "instant morality, instant character, instant religion, or instant patriotism." Before there is a flowering there must be a growth—before there is a growth there must be a seed. In the matter of man's spiritual development, time is not something that can be cheated, but something that is indispensable to growth.

Let us apply this to the practical field of ethics in business and in Government. The cynic drawing attention to abuse of trust and abuse of public office, will say that Christianity has failed. Which is tantamount to saying that the summit of the hill has failed because the climber did not make the effort to reach it.

In this connection, I should like to touch briefly on one specific area that has concerned me deeply, and in which I have attempted to introduce corrective action. I am a cosponsor, with Senator JAVRS, of recently introduced legislation to protect against conflicts of interest in both the legislative and the executive branches of the Federal Government.

This proposed legislation is based on my conviction that there is an urgent need for Senators, Representatives, and the some 22,000 employees in the legislative branch of the Federal Government to have the benefit of a clearly defined code of ethics. It is completely incongruous for Senate committees to put cabinet appointees through rigorous questioning as to their financial affairs and outside interests which might conflict with their new duties, when those of us in Congress and our staffs are not subject to similar standards and requirements.

For our own guidance as well as for the protection of the public interest, we should enact a clearly defined, enforceable ethics code. We should not continue to function on what appears to many to be a double standard of ethics, one set of standards for the executive branch but none for the legislative branch.

In the Government, as in other fields of human activity, the right will not prevail unless men make it prevail.

Christian principles remain an untapped wealth until they are put into circulation; until they are made the spiritual coin of the realm.

Today, when science and the quest for security have turned the heavens into a kind of cosmic shooting gallery, we hear much about the so-called problem of reentry, of bringing man back alive from outer space.

How this consideration pales when one contemplates the immensity and significance of the overriding problem of our times, the problem of the reentry of the Christian into the tremendous struggle that challenges him, the struggle to extend the frontiers of love and brotherhood—to make Christ known where He is unknown—to be a witness for Him, not in name alone, but in the fire of zeal, in the eloquence of action. "God so loved—that He gave."

Let man so love that he, too, gives—for only in the giving of himself does he enrich himself—only when he makes Christianity a living thing does he too live, only when he seeks God does he find himself.

Mr. TALMADGE. Mr. President, if no other Senator desires recognition during the morning hour, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ENGLE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, if there is no further morning business to be transacted, I ask unanimous consent that the morning hour be concluded, because the distinguished Senator from Ohio [Mr. Young] desires to make a speech beyond the 3-minute limit.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

Mr. MORSE. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

NOMINATION OF WALTER N. TOBRINER TO BE A COMMISSIONER OF THE DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, I report favorably from the Committee on the District of Columbia the nomination of Walter N. Tobriner to be a Commissioner of the District of Columbia. I ask unanimous consent that the nomination be considered immediately and acted upon. It has been cleared on both sides, and it comes to the Senate as the unanimous recommendation of the Committee on the District of Columbia.

The PRESIDING OFFICER (Mr. BURDICK in the chair). The nomination will be stated.

The legislative clerk read the nomination.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination? The Chair hears none, and without objection the nomination is confirmed.

Mr. MORSE. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a newspaper article and two editorials in support of the nomination, which speak more eloquently in support of this nominee than I could myself.

There being no objection, the article and editorials were ordered to be printed in the RECORD, as follows:

[From the Evening Star, Feb. 1, 1961]

TOBRINER BRINGS EXPERIENCE, WIT TO DISTRICT OF COLUMBIA POST

Walter N. Tobriner brings to the District Building experience. There is also a certain toughness and cunning in the man.

But all three frequently break up in a wide, boyish grin, an irrepressible and fast wit—one apparently difficult to keep under control. He does not take himself too seriously.

Nominated as a Commissioner by President Kennedy under confusing circumstances, he nevertheless found time to laugh infectious over an apparent case of conflicting interests.

His wife—he describes her as a "good egg"—realized that she might find it difficult to serve in one of her civic posts, that of a member of the District Commissioners Advisory Committee on Trees.

"She has decided to resign," said Mr. Tobriner.

And there is perhaps only one thing that obviously worries the Commissioner-designate in the days ahead. He is very frankly concerned over the number of veal cutlets and speeches at high noon facing a District Commissioner.

KNOWS SERIOUS SIDE

This is not to indicate Mr. Tobriner treats or views the city's problems with amusement. Few Commissioners have brought to the office as much participation in past rough-and-tumble decisions which have shaped the city.

He has been thoroughly involved in the city's network of hospitals and, of course, established his reputation in civic affairs as a member of the board of education.

A lawyer here since 1926, a Democrat, a native of the District, Mr. Tobriner was appointed to the school board in 1952. It is an accepted fact that as a member of the board he was the first to move in the pre-integration turmoil to prepare the school system for the shock of merging the old white and Negro divisions.

Community meetings were held, plans and policy set. And following the Supreme Court's decision, integration proceeded here with a minimum of trouble in comparison to other sections of the country.

As president of the board, Mr. Tobriner ran a smoothly functioning organization, shutting off endless debates which had marked meetings before his tenure. It was rare if he did not know how each member felt on a given issue. There were few surprises.

CAN BE BLUNT

He can be brutally blunt—but only after he has studied a situation and carefully written down his feelings.

Once, he stood before the student body of District Teachers College and suggested abolishing the very school he was addressing. He had recommended setting up a junior college—a controversy that remains today.

He has worked for higher teacher salaries, but, at the same time, has ruffled the feathers of teacher organizations by attempting to set up some screening process which would prevent the hanging on of what he has frequently termed "deadwood" and "incompetents."

Tobriner has been here since shortly before the Civil War.

ORNATE SAFE REMAINS

Mr. Tobriner's father, Leon, was a prominent Washington lawyer, a president of the Washington Bar Association, and a designer of portions of the present District of Columbia Code. He died in 1953 at the age of 96, leaving an estimate of approximately \$515,000.

His father's old, huge, ornate safe remains in Mr. Tobriner's office in the Southern Building at 15th and H Streets NW.

"The thing doesn't work," Mr. Tobriner said once, "but I'm sentimental."

Mr. Tobriner, 58, has practiced law here since 1926, following his graduation from Harvard Law School. It has been a quiet practice, in wills and trusts, estates and corporations, contrasted with his civic and political undertakings.

He was married in 1933, and the Tobriners have two children, Mrs. David Povich, daughter-in-law of Shirley Povich, sports columnist of the Washington Post, and Matthew W. (Hoby) Tobriner, a senior at Princeton and 200-pound guard on the varsity.

Mr. Tobriner himself is tall and thin. In the basement of his home, 6100 33d Street NW., he mysteriously turns out cabinets and coffee tables that look like the work of a professional. They do not rock.

Mrs. Tobriner is equally energetic. She figure skates, plays Mozart on the piano, and is a member of a flock of civic organizations as well.

BIOGRAPHICAL SKETCH

Full name: Walter N. Tobriner.

Claim to fame: Nominated by President to be District Commissioner.

Home: 6100 33d Street NW.

Birthday: July 2, 1902.

Education: Graduated from Princeton in 1923; Harvard Law, 1926.

Jobs: Attorney; president of District Board of Education.

Family: Wife, Marianne; a son, Matthew, and a daughter, Constance.

Hobbies: Woodwork.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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HIGHLIGHTS: Senate committee voted to report feed grains bill. House committee reported bill to increase funds available for farm operating loans. Senate committee approved Clapp nomination. House received President's message on establishment of Peace Corps.

SENATE

1. FEED GRAINS. The "Daily Digest" states that the Agriculture and Forestry Committee "ordered favorably reported with an amendment in the nature of a substitute bill S. 993, to provide a special program for feed grains for 1961. The bill, as approved, would require a 30-percent reduction in acreage devoted to corn and feed grains as a requirement for price support." p. D107
2. NOMINATION. The Agriculture and Forestry Committee approved the nomination of Norman M. Clapp to be REA Administrator, p. D107

HOUSE

3. FARM LOANS. The Agriculture Committee reported without amendment H. R. 1822, to increase from 10 to 25 percent the portion of the annual appropriation for Farmers Home Administration operating loans that may be used for loans to borrowers whose operating loan indebtedness would exceed \$10,000 (H. Rept. 47). p. 2795

4. PEACE CORPS. Received from the President a message recommending the establishment of a permanent Peace Corps to consist of "a pool of trained American men and women sent overseas by the U. S. Government or through private organizations and institutions to help foreign countries meet their urgent needs for skilled manpower." The President stated that one of the purposes of the Corps would be to increase rural agricultural productivity by assisting local farmers to use modern implements and techniques. He stated that he had signed an Executive order establishing a Peace Corps on a temporary pilot basis (H. Doc. 98). pp. 2733-4
5. FORESTRY. The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 2204, to extend the time in which the Outdoor Recreation Resources Review Commission shall submit its final report. p. D109
6. UNEMPLOYMENT COMPENSATION. By a vote of 392 to 30, passed as reported H. R. 4806, to provide for the establishment of a temporary program of extended unemployment compensation for unemployed workers, including Federal employees and veterans. pp. 2735-59
7. ECONOMIC REPORT. At the request of Rep. Patman the Joint Economic Committee was granted an extension of time from March 1 to April 30 to file its report on the Economic Report of the President. p. 2731
Rep. Patman inserted an article, "The Employment Act, 1946-61," discussing the significance of economic reports submitted by the Presidents. pp. 2731-3
8. ACREAGE ALLOTMENTS. Rep. Rains urged enactment of legislation to authorize a farm owner who is displaced by reason of acquisition of his farm by an agency having right of eminent domain, to release to the county committee all or any part of his farm acreage allotment during the period such allotment remains in the allotment pool. p. 2734
9. ADMINISTRATION APPOINTEES. Rep. Younger stated "that for some little time there have been rumors on the Hill about appointees high in this administration reading and discussing the political advice given by Machiavelli in his writing 'The Prince'", and he inserted the remarks of Secretary Freeman on a recent television program discussing this matter. p. 2786
10. FOREIGN CURRENCIES. Received reports on the expenditure of foreign currencies for foreign travel by Members and employees of the Armed Services and Appropriations Committees. pp. 2790-5
11. VIRGIN ISLANDS. Received a GAO audit report on the Virgin Islands Corporation for the fiscal year 1960. p. 2795
12. ROADS; ACCOUNTING. Received from Treasury the annual report on the financial condition and fiscal operations of the Highway Trust Fund (H. Doc. 100). p. 2795

ITEMS IN APPENDIX

13. FEDERAL AID. Rep. Curtis, Mo., inserted his speech, "Should State and Local Governments Look to Washington for Help?" in which he discussed various economic problems and stated that "The greatest area of frictional unemployment today is our rural areas where the amazing technological advancement in agriculture has occurred so rapidly..." pp. A1385-8

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of March 2, 1961
87th-1st, No. 37

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HIGHLIGHTS: Senate committee reported feed grains bill. Senate subcommittee approved depressed areas bill. Senate committee reported Clapp nomination. Sen. Chavez introduced and discussed bill to provide increased appropriations for development of forest roads and trails.

SENATE

1. FEED GRAINS. The Agriculture and Forestry Committee reported with amendment S. 993, to provide a special program for feed grains for 1961 (S. Rept. 59). p. 2808
2. DEPRESSED AREAS. The Production and Stabilization Subcommittee of the Banking and Currency Committee approved for full committee consideration with amendments S. 1, the depressed areas bill. p. D114
3. NOMINATIONS. The Agriculture and Forestry Committee reported the nomination of Norman M. Clapp to be REA Administrator (p. 2800). Sen. Proxmire commended the nomination and inserted a statement by Clyde Ellis and a resolution of the National Rural Electric Cooperative Assoc. commending it (pp. 2864-5).
Confirmed the nomination of John W. Macy, Jr., to be a Civil Service Commissioner. p. 2800

4. PEACE CORPS. Received from the President a message recommending the establishment of a permanent Peace Corps of trained American men and women to be sent overseas by the U. S. Government or through private organizations and institutions to help foreign countries meet their urgent needs for skilled manpower, including help to increase rural agricultural productivity by assisting local farmers to use modern implements and techniques (H. Doc. 98). pp. 2833-4
Sen. Humphrey commended the President's message and inserted the text of an Executive order and a statement of the President establishing a Peace Corps on a temporary pilot basis. He also inserted several articles and editorials commending the message. pp. 2841-5
Sen. Bennett criticized the President's order establishing a Peace Corps on a temporary pilot basis when legislation is pending in Congress for this purpose, stating that "no matter how excellent the Peace Corps idea may be, there is no reason for setting it up in this manner, which evidences such disdain for the constitutional division of powers." p. 2889
5. WATERSHEDS. Sen. Jordan expressed concern over the "delays" and the "seriousness of the differences of views between the Corps of Engineers and the Soil Conservation Service" on the joint study of the Cape Fear River Basin in N. and inserted the text of his letter to these agencies urging early completion of the report on the basin. pp. 2888-9
6. FORESTRY. Sen. Williams, N. J., urged enactment of legislation for the establishment of wilderness areas and inserted several articles favoring the establishment of such areas. pp. 2870-5
7. PUBLIC LANDS. Sen. Engle inserted the text of a letter by Secretary of Interior Udall defending his order establishing an 18-month moratorium on most types of new applications for withdrawn nonmineral public lands administered by the Bureau of Land Management. pp. 2839-40
8. ECONOMIC REPORT. Agreed to a request by Sen. Douglas granting the Joint Economic Committee an extension of time from March 1 to April 30 to file its report on the Economic Report of the President. p. 2849
9. VIRGIN ISLANDS. Received a GAO audit report on the Virgin Islands Corporation. p. 2803
10. ACCOUNTING. Received the annual report of GAO. p. 2803
11. LEGISLATIVE PROGRAM. Sen. Mansfield stated that he hopes to have the Senate consider the feed grains and depressed areas bills next week. Sen. Ellender stated that he would prefer for the House to act on the feed grains bill before it is considered by the Senate. p. 2803

HOUSE

12. FORESTRY. The Interior and Insular Affairs Committee reported without amendment H. R. 2204, to extend the time in which the Outdoor Recreation Resources Review Commission shall submit its final report (H. Rept. 50). p. 2914
13. SUPPLEMENTAL APPROPRIATIONS. The House Appropriations Committee was granted permission to file a report on the third supplemental appropriation bill for 1961 by midnight, Fri., Mar. 3. p. 2900

1961 FEED GRAIN PROGRAM

MARCH 2, 1961.—Ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry,
submitted the following

R E P O R T

together with

SUPPLEMENTAL AND INDIVIDUAL VIEWS

[To accompany S. 993]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 993) to provide a special program for feed grains for 1961, having considered the same, report thereon with a recommendation that it do pass with an amendment.

GENERAL STATEMENT

This bill provides for an emergency 1961 feed grain program to prevent further accumulation of supplies and begin to bring them in line with demand. Its objectives are to increase farm income, save Government funds, and hold down or reduce surplus stocks, without material effect on consumer prices. To accomplish these objectives it would (1) raise feed grain support prices, (2) condition price support on the retirement of acreage from feed grain production, and (3) provide payments in cash and in kind for participation in such retirement program.

COMMITTEE AMENDMENT

The committee amendment, which is in the nature of a substitute, provides for a specific, detailed program, where the bill as introduced provided the Secretary of Agriculture with a more general grant of authority. The committee amendment, effective like the bill with respect to 1961 crops only, provides for—

- (1) \$1.20 price support for corn, and comparable price support for oats, rye, barley, and grain sorghums;

(2) a 30 percent diversion of acreage from corn, grain sorghums, and such other feed grains as the Secretary may specify, as a condition of price support for corn, grain sorghums, oats, rye, and barley,

(3) payment in cash for half of the reduced production at 50 percent of the support price,

(4) payment-in-kind for the other half of the reduced production at 60 percent of the support price, and

(5) assistance by CCC in the marketing of payment-in-kind certificates.

The details of the proposed diversion are similar to those worked out by Congress in past wheat bills. The total acreage of corn and grain sorghums, and the total acreage of such other feed grains, if any, as might be designated by the Secretary, would be cut 30 percent below their average acreage for the years 1959 and 1960; and the total acreage of nonconserving crops would be cut by this combined acreage. Specific acreage representing the reduction would be devoted to conservation, and not harvested or grazed. This acreage would be in addition to conservation reserve acreage.

A producer of both corn and grain sorghums could make the total required reduction from either corn or grain sorghums, whichever he preferred, but to be eligible for any 1961 feed grain price support his combined 1961 acreage of those two commodities would have to be 30 percent below his combined average of such commodities for 1959 and 1960. If other feed grains were designated under section 1(b)(2) of the committee amendment the combined acreage of such other feed grains would have to be reduced 30 percent, but the Secretary could, to such extent as he saw fit, permit a reduction in corn and grain sorghums in excess of that required under section 1(b)(1) to count toward the required reduction of other feed grains under section 1(b)(2). For the acreage of each feed grain reduced pursuant to the program the producer would be paid in cash for half of the reduced production at 50 percent of the support price and in kind for the other half at 60 percent of the support price. The amount of the reduced production would be based on the 1959-60 average annual yield.

Payments in kind would be made in negotiable certificates redeemable for a specified dollar value in feed grains valued at the market price. If not redeemed within 60 days, reasonable storage and carrying charges for the period following such 60 days would be deducted from the value of the certificate. Assistance in marketing certificates would be furnished by Commodity Credit Corporation.

The Secretary of Agriculture could make adjustments in base acreages and yields for various factors such as abnormal weather, soil bank participation, and crop rotation.

Payments would be shared by the producers on the farm. Feed grains received as payments-in-kind would not be eligible for price support.

NEED FOR LEGISLATION

The President in his letter to the President of the Senate said:

I am transmitting herewith a bill to provide a special program for feed grains for 1961. I urgently recommend to the Congress the enactment of this emergency program so that it can cover the 1961 crop.

The existing program has failed. It has resulted in the accumulation of a burdensome and dangerous surplus, mainly of commodities for which there is no adequate outlet even under our expanded programs of providing food for those in need. * * *

If this program is allowed to continue in effect for this year's crop, the stocks in Government hands will reach even more alarming proportions, a virtually unmanageable storage problem will be created, farm income will continue to suffer, and large amounts of Government funds will be needlessly expended. Immediate action is required to prevent further deterioration of this situation. In order to be effective with respect to this year's crops, a new program should be authorized by March 1. * * *

The Government now holds 2.7 billion bushels of feed grains. The investment in feed grains stands at the alltime high of nearly \$4 billion. The 1961 crop will soon be planted. By this fall, the Nation will be confronted once again with a shortage of space in which to store grain. The shortage may amount to the off-farm space required for as much as 200 to 250 million bushels if we fail to take any preventive action now. The storage problem will be further accentuated in 1962.

Since the President's message was submitted to Congress, additional feed grains have been placed under loan and stocks now total nearly 3 billion bushels. The investment of Government funds now totals over \$4 billion. Detailed data are shown in table 1, below.

TABLE 1.—Commodity Credit Corporation price-support operation as of Jan. 31, 1961

Commodity	Owned		Under loan		CCC total investment	
	Quantity	Value	Quantity	Value	Quantity	Value
	<i>Thousand bushels</i>	<i>Thousand dollars</i>	<i>Thousand bushels</i>	<i>Thousand dollars</i>	<i>Thousand bushels</i>	<i>Thousand dollars</i>
Corn.....	1,465,242	2,438,902	591,605	630,404	2,056,847	3,069,306
Grain sorghum.....	555,657	863,490	197,937	172,343	753,594	1,035,833
Barley.....	54,838	67,762	62,029	46,883	116,867	114,645
Oats.....	11,094	9,109	35,086	16,858	46,180	25,967
Rye.....	4,264	6,252	3,806	3,139	8,070	9,391
Total.....	2,091,095	3,385,515	890,463	869,627	2,981,558	4,255,142

Source: U.S. Department of Agriculture.

The Department of Agriculture reported on February 23, 1961, that farmers put 224,048,711 bushels of the 1960-crop corn under price support during January, establishing a record monthly total. This resulted in an 80-million-bushel increase over the quantity which went under support from the 1959 crop.

The other feed grains, barley, oats, and grain sorghum, and rye are also under support in larger quantities this year than last.

FEED GRAIN SITUATION

Feed grain supply up 12 million tons

Carryover stocks, yield per acre, and production of feed grains all set records in 1960 and boosted the 1960-61 supply of feed grains to a new high of 244 million tons, 12 million more than in 1959-60. Total feed grain production increased 3 percent over 1959 to 168 million tons, continuing the upward trend of recent years. Since 1955, average yield per harvested acre has gone up 36 percent and production has increased nearly 30 percent. Average yield per acre of corn and sorghum grain set new highs in 1960, and yields of oats and barley were only slightly below the 1958 high. The average of 1.22 tons per harvested acre for the four feed grains in 1960 compares with 1.15 tons in 1959 and 0.90 ton in 1955.

The feed grain crop in 1960-61 is expected to again exceed domestic use and exports as it has each year since 1952. Total disappearance is likely to be a little above the 157 million tons in 1959-60. But the record 1960 crop probably will exceed total use by around 8 to 10 million tons, boosting the carryover into 1961 a similar amount.

Corn supply totals over 6.1 billion bushels

The total corn supply for 1960-61 is estimated at 6,143 million bushels—330 million bushels (or 6 percent) more than in 1959-60. The 1960 crop was estimated in December at 4,353 million bushels, about 2 percent above the big crop in 1959. Although much of the crop in the Corn Belt was late in maturing, frost damage this last fall was relatively light because frost was later than usual.

For the entire 1960-61 marketing year, total disappearance is expected to exceed the 4,023 million bushels of last year by around 100 million bushels. However, this would still leave a carryover on October 1, 1961, of around 2 billion bushels, more than 200 million above the carryover on October 1, 1960.

Sorghum grain supply exceeds 1.2 billion bushels

Record production and carryover stocks boosted the 1960-61 sorghum grain supply to 1,220 million bushels, 11 percent above the big supply in 1959-60 and more than double the 1954-58 average. During October-December, disappearance of sorghum grain totaled 188 million bushels, 30 million less than a year earlier. The total January 1 stocks of 1,032 million bushels were 18 percent over January 1, 1960. While disappearance in the first quarter was down, the quantity placed under the price-support program increased from 76 million to 130 million bushels. A total of 696 million bushels was under loan or owned by CCC on January 1, 128 million more than a year earlier. The stocks outside the price support program were only a little larger than a year ago, which will tend to limit the rate of disappearance during the remainder of the marketing year. Domestic disappearance for the entire marketing year may be little, if any, larger than the 414 million bushels consumed in 1959-60. Exports are expected to continue near the level of the last 2 years of close to 100 million bushels. In this event the carryover would increase to 700 million bushels on next October 1, more than 100 million above the carryover on October 1, 1960.

Reduced consumption of oats increases January 1 stocks

Domestic use of oats during July–December totaled 561 million bushels, down 12 percent from a year earlier. The 18 million bushels exported was well below the 29 million for the first half of the 1959–60 marketing year. The total supply of oats for 1960–61 was 1,435 million bushels, practically the same as the supply in 1959–60. Stocks on January 1 increased 80 million bushels from a year earlier to 851 million bushels because of reduced consumption during the first half of the marketing year. Carryover of oats next July 1 probably will be considerably above the 268 million bushels on July 1, 1960.

Barley stocks on January 1 a little below 1960 level

Stocks of barley on January 1 totaled 352 million bushels, 10 million bushels below a year earlier. Domestic use during July–December of 202 million bushels was slightly more than in the first half of 1959–60. Exports of 45 million bushels were down 25 million from the same period of 1959. Carryover of barley on July 1, 1961, probably will be about the same as the 168 million bushels carried over on July 1, 1960.

Details on supply and utilization, and on stocks, are given in tables 2 and 3, while acreage, yield, and production are given in table 4.

1961 FEED GRAIN PROGRAM

TABLE 2.—*Feed grains: Supplies and utilization, United States, average 1954-58, annual 1958-61*

Marketing year beginning ¹	Supply				Utilization				
	Carry-over	Production	Imports ²	Total	Live-stock feed ³	Food and industrial use	Seed	Exports ⁴	Total
Corn									
Average, 1954-58.....	1,202	3,393	1	4,596	2,842	266	12	152	3,272
1958.....	1,470	3,801	1	5,272	3,226	289	13	214	3,742
1959 ⁵	1,530	4,281	1	5,812	3,511	289	13	210	4,023
1960 ⁶	1,789	4,353	1	6,143	3,625	290	13	215	4,143
1961 ⁶	2,000	-----	-----	-----	-----	-----	-----	-----	-----
Oats									
Average, 1954-58.....	288	1,359	14	1,661	1,176	39	105	24	1,344
1958.....	325	1,416	3	1,744	1,215	41	90	30	1,376
1959 ⁵	368	1,066	2	1,436	1,002	42	81	43	1,168
1960 ⁶	268	1,162	5	1,435	987	42	81	25	1,135
1961 ⁶	300	-----	-----	-----	-----	-----	-----	-----	-----
Barley									
Average, 1954-58.....	123	414	23	560	214	89	26	83	412
1958.....	168	475	14	657	228	90	27	117	462
1959 ⁵	195	422	18	635	232	92	25	118	467
1960 ⁶	168	423	15	606	239	92	25	85	441
1961 ⁶	165	-----	-----	-----	-----	-----	-----	-----	-----
Sorghum grain									
Average, 1954-58.....	113	372	-----	485	203	9	3	59	274
1958.....	309	610	-----	919	297	9	3	100	409
1959 ⁵	510	585	-----	1,095	399	12	3	99	513
1960 ⁶	582	638	-----	1,220	405	12	3	100	520
1961 ⁶	700	-----	-----	-----	-----	-----	-----	-----	-----

¹ Marketing year beginning Oct. 1 for corn and sorghum grain; July 1 for oats and barley.² Includes grain equivalent of products.³ Residual; includes small quantities for other uses and waste.⁴ Corn, sorghum grain, and oats, grain only; barley includes grain equivalent of malt.⁵ Preliminary.⁶ Based on indications in January 1961.

Source: U.S. Department of Agriculture.

TABLE 3.—*Feed grains: Jan. 1 stocks, total and per animal unit, average 1955-59, annual 1954-61*

Year	Jan. 1 stocks (million tons) ¹					Grain-consuming animal units ²	Stocks per animal unit
	Corn	Oats	Barley	Sorghum grain	Total		
Average, 1955-59.....	94.6	15.3	7.8	10.4	128.1	Millions	Pounds
1954.....	75.2	12.9	4.3	2.3	94.7	164.0	1,562
1955.....	79.8	15.5	6.8	5.5	107.6	156.7	1,209
1956.....	86.3	16.7	7.4	6.3	116.7	161.5	1,333
1957.....	95.7	12.7	7.0	5.7	121.1	165.6	1,409
1958.....	101.1	14.9	8.6	14.5	139.1	161.8	1,497
1959.....	110.0	16.7	9.4	20.1	156.2	161.6	1,722
1960.....	123.0	12.3	8.7	24.6	169.4	166.7	1,844
1961 ³	131.6	13.6	8.4	28.9	167.5	166.7	2,023
							2,179

¹ Stocks in all positions, including Government owned.² Grain-consuming animal units fed during feeding year beginning Oct. 1.³ Preliminary.

Source: U.S. Department of Agriculture.

TABLE 4.—*Feed grains: Harvested acreage, yield, and production, United States average 1954-58, annual 1951-60*

Year	Corn ¹			Oats			Barley		
	Har- vested acre- age	Yield per acre	Pro- duc- tion	Har- vested acre- age	Yield per acre	Pro- duc- tion	Har- vested acre- age	Yield per acre	Pro- duc- tion
	<i>Mil- lion acres</i>	<i>Bush- els</i>	<i>Mil- lion bush- els</i>	<i>Mil- lion acres</i>	<i>Bush- els</i>	<i>Mil- lion bush- els</i>	<i>Mil- lion acres</i>	<i>Bush- els</i>	<i>Mil- lion bush- els</i>
Average, 1954-58.....	76.3	44.5	3,393	36.0	37.8	1,359	14.2	29.2	414
1951.....	80.7	36.2	2,926	35.2	36.3	1,278	9.4	27.3	257
1952.....	80.9	40.7	3,292	37.0	32.9	1,217	8.2	27.7	228
1953.....	80.5	39.9	3,210	37.5	30.7	1,153	8.7	28.4	247
1954.....	80.2	38.1	3,058	40.6	34.8	1,410	13.4	28.4	379
1955.....	79.5	40.6	3,230	39.2	38.3	1,503	14.6	27.5	401
1956.....	75.6	45.7	3,455	33.7	34.5	1,163	12.9	29.1	377
1957.....	72.6	47.1	3,422	34.6	37.5	1,301	15.0	29.2	437
1958.....	73.3	51.8	3,801	31.8	44.5	1,416	14.9	31.8	475
1959.....	83.5	51.3	4,281	28.4	37.6	1,066	15.1	28.0	422
1960 ²	82.1	53.0	4,353	27.1	42.9	1,162	14.0	30.3	423
Sorghum grain						Total, 4 feed grains			
Acreage harvested for grain			Yield per acre	Produc- tion	Harvested acreage	Yield per acre ³	Produc- tion		
<i>Million acres</i>			<i>Bushels</i>	<i>Million bushels</i>	<i>Million acres</i>	<i>Tons</i>	<i>Million Tons</i>		
Average, 1954-58.....			14.0	26.6	372	140.4	0.98	137.1	
1951.....			8.5	19.1	163	133.9	.84	113.1	
1952.....			5.3	17.0	91	131.5	.91	119.7	
1953.....			6.3	18.4	116	133.0	.88	117.5	
1954.....			11.7	20.1	235	145.8	.85	123.9	
1955.....			12.9	18.9	243	146.2	.90	130.9	
1956.....			9.3	22.1	206	131.6	.99	130.2	
1957.....			19.5	28.9	564	141.8	1.01	142.9	
1958.....			16.7	36.6	610	136.7	1.15	157.6	
1959.....			15.6	37.6	585	142.6	1.15	163.5	
1960 ²			15.4	41.3	638	138.6	1.22	168.5	

¹ For all purposes.² Preliminary.³ Computed from data on production and acreage harvested. Changes in yield reflect changes in acreage of the 4 grains and distribution by States, as well as changes in the yield of the individual grains.

Source: U.S. Department of Agriculture.

COST OF THE PROPOSED PROGRAM

In his memorandum to the President, the Secretary of Agriculture stated:

The estimated cost to the Government of the conservation payments under this program is from \$400 to \$500 million. There would be an outlay also for payments in kind, but these would be more than counterbalanced in time by savings made possible by reducing stocks that require expensive storage and by reducing production of grain that would be eligible for price-support loans if produced. There would also be some outlay for price-support loans; but with a reasonably high degree of cooperation among farmers, total feed grain production would be brought more nearly into line with demand so that prices will rise and Government stocks will be absorbed in the market. Thus, the total estimated cost of the program in the long run is only the cost of the con-

servation practice payments—\$400 to \$500 million. This would replace the estimated expenditures under the existing program of \$1.5 to \$1.6 billion of which we could expect to recover eventually only \$500 million. The net saving under the proposed special program as compared with the existing program would be in the order of \$500 million.

The committee amendment differs slightly from the Secretary's proposal. The cash payment would be on a 15-percent rather than a 20-percent cut in acreage, and the rate of payment would be at 50 percent of the average production rather than at a 60-percent level as suggested by the Secretary. Furthermore, the payment-in-kind would be at a 60-percent rate rather than at the higher rate of 66½ as suggested by the Secretary.

While the committee substitute differs slightly from the Secretary's program, the cost and benefits described by the Secretary should not be changed materially.

FURTHER COMMENTS

The Secretary of Agriculture indicated in his memorandum to the President that—

Support prices for soybeans will be raised to \$2.30 per bushel and the support price for cottonseed raised to a competitive relationship with soybean support prices. This will encourage the diversion of a part of the current feed grain acreage to soybean production.

The committee feels that soybean support prices should be based upon supply, demand, and other factors concerning soybeans, and would look with disfavor on any attempt to alleviate problems in the corn and feed grain sector of the agricultural economy by including this as a factor in the establishment of soybean support prices.

Comparison of principal provisions of S. 933 as introduced, committee amendment to S. 933, H.R. 4510 as reported, and existing law

	(1) Existing law	(2) S. 933 as introduced	(3) Committee amendment to S. 933	(4) H.R. 4510 as reported
Corn price support-----	90 percent of 3-year average but not less than 65 percent of parity (about \$1.05).	\$1.20 per bushel...	\$1.20 per bushel...	Any level fixed by Secretary but not less than 65 percent of parity.
Oats, rye, barley, and grain sorghums price support.	Fair and reasonable in relation to corn.	Same as col. (1), but corn price would be increased.	Same as col. (1) but corn price would be increased.	Same as col. (1), but corn price would be increased.
Commodities denied price support if feed grain acreage not reduced.	None-----	Corn, grain sorghums, any other feed grain designated by Secretary.	Corn, oats, rye, barley, and grain sorghums.	Corn, grain sorghums, soybeans, and any other feed grain or oilseed designated by Secretary.
Extent of participation in reduction program required for price support eligibility.	None-----	Extent prescribed by Secretary.	Full participation, but unintentional violation of program would not remove eligibility.	Extent prescribed by Secretary.
Commodities to be reduced.	None-----	Corn, grain sorghums, and any other feed grains specified by Secretary.	Same as col. (2)...	Corn and grain sorghums.
Reduction provided for.	None-----	To be determined by Secretary. (Memorandum accompanying President's message states a 20-percent reduction would be required as a condition of price support and up to 20 percent more could be reduced for additional payments.)	30 percent-----	20 percent or up to 20 acres, whichever is greater, for cash or kind, and up to 20 percent more for kind.
Payment rates-----	None-----	Not specified, but memorandum indicates a payment rate of 60 percent (in cash) on the required 20-percent reduction and a payment rate of 66 $\frac{2}{3}$ percent (in kind) on the additional reduction provided for by the program.	50 percent (in cash) on half of the required 30-percent reduction and 60 percent (in kind) on the other half of the required reduction.	50 percent (in cash or kind) on the 1st 20-percent reduction and 60 percent in kind on the additional reduction provided for by the program.
Minimum CCC sale price for feed grains.	105 percent of the current support price plus reasonable carrying charges.	Market price, but Department later proposed amendment fixing floor at support prices provided by present law (about \$1.05 for corn).	Leaves existing law in effect.	83 percent of support price.

The various versions contain varying details concerning the acreage retirement program, methods of computing payments in kind, and other matters in addition to those cited above. Under the House-reported bill a producer may divert his acreage reduction to a non-surplus, non-price-supported nonfeed crop and forgo any payment, but otherwise all versions require diversion to soil conserving crops. Under the House-reported version price support on corn and grain sorghums would also be limited to the normal production of the harvested acreage, based on 1959-60 yields. The committee amendment to S. 993 is more detailed than other versions, fixing the manner in which payments-in-kind shall be computed and made and requiring that total nonconserving crop acreage be reduced by the amount of the required feed grain acreage reduction.

COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES
TRANSMITTING A DRAFT OF A PROPOSED BILL ENTITLED "A BILL
TO PROVIDE A SPECIAL PROGRAM FOR FEED GRAINS FOR 1961"

THE WHITE HOUSE,
Washington, February 16, 1961.

HON. LYNDON B. JOHNSON,
President of the Senate,
U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: I am transmitting herewith a bill to provide a special program for feed grains for 1961. I **urgently** recommend to the Congress the enactment of this emergency program so that it can cover the 1961 crop.

The existing program has failed. It has resulted in the accumulation of a burdensome and dangerous surplus, mainly of commodities for which there is no adequate outlet even under our expanded programs of providing food for those in need. At the same time, it has failed to protect farm income, and it is threatening to drive down the prices farmers receive for hogs, cattle, poultry and eggs, and milk to disastrous levels. If this program is allowed to continue in effect for this year's crop, the stocks in Government hands will reach even more alarming proportions, a virtually unmanageable storage problem will be created, farm income will continue to suffer, and large amounts of Government funds will be needlessly expended. Immediate action is required to prevent further deterioration of this situation. In order to be effective with respect to this year's crops, a new program should be authorized by March 1.

I believe that any legislation enacted should fit our overall goal to use our agricultural abundance to meet the needs of our people and at the same time provide a fair income for those who produce that abundance. We need to shift our production from commodities of which there is an unmanageable surplus to commodities for which there is a need, even as we curtail our production of those surplus commodities. The Secretary of Agriculture already has authority to take steps toward these goals with regard to some commodities, such as milk, soybeans, and cottonseed, pork, poultry and eggs. However, new legislation is needed for effective action with respect to corn and other feed grains. The legislation I am now recommending

will fill this gap with the authority needed to round out an emergency program for this year in the feed grain sector of our farm economy.

Although this is an emergency program, it is consistent with our long-range objectives and would accomplish the following: (1) A moderate increase in farm income; (2) a saving of several hundred million dollars of Government funds; and (3) a holding down or reduction of surplus stocks to more manageable proportions. This will be done without any material effect upon consumer prices.

The Government now holds 2.7 billion bushels of feed grains. The investment in feed grains stands at the alltime high of nearly \$4 billion. The 1961 crop will soon be planted. By this fall, the Nation will be confronted once again with a shortage of space in which to store grain. The shortage may amount to the off-farm space required for as much as 200 to 250 million bushels if we fail to take any preventive action now. The storage problem will be further accentuated in 1962.

The legislative proposals submitted herewith (1) would provide that cooperators would receive a support price of \$1.20 a bushel for corn for 1961 and would receive supports for other feed grains in relation to those for corn; and (2) would authorize a special agricultural conservation program under which acreage previously planted to feed grains would be diverted from production for 1961. Unlike the present program under which a support price of \$1.06 a bushel is paid to all producers without regard to any limit on production, producers will not be eligible for price supports under this new program unless they cooperate in the special agricultural conservation program.

This emergency program covers only the 1961 crop. I intend to recommend to the Congress other legislation covering both wheat and feed grain crops for subsequent years.

There is attached hereto a letter from the Secretary of Agriculture setting forth the details of the program. It is important that it be accorded the prompt consideration of the Congress.

Sincerely,

JOHN F. KENNEDY.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, February 16, 1961.

Memorandum.

To: The President, The White House.

From: The Secretary of Agriculture.

DEAR MR. PRESIDENT: The emergency feed grain program for 1961 is described in detail below. This program will, I believe, achieve the objectives for the feed grain economy outlined in your letter transmitting proposed feed grain legislation to the Congress.

1. Each producer will be asked to shift to a soil conserving use 20 percent of the acreage he had planted, during the base period 1959-60, to corn, grain sorghums, or other feed grains. The Secretary will prescribe the use of these diverted acres for conservation purposes. Producers cooperating in the program will receive payments under the special conservation program equal to 60 percent of the gross value of a year's normal production on the diverted acres. A corn grower in an area where the corn support price is the proposed national average

of \$1.20 would compute his payment by multiplying 60 percent of the support price, 72 cents, by his normal corn yield. If his yield was 50 bushels an acre, his payment for shifting 20 percent of his corn acreage would be 50 times 72 cents, or \$36 per acre.

2. The cooperating producer will be eligible, at his option, to divert additional feed grain acreage into a soil conserving use. For this he will be paid in kind from Government stocks of grain at the rate of two-thirds of his normal yield per acre. These payments-in-kind will be made by issuing certificates which the producer can redeem in grain or in cash at his option. If redeemed in cash, the Commodity Credit Corporation will sell enough grain on the market to cover the cost. The producer can receive these payments-in-kind for shifts up to 20 percent of his feed grain acreage, making a total shift of up to 40 percent.

3. A producer who cooperates by shifting at least 20 percent of his acreage from feed grain production will, in addition to the special conservation payment he receives, be eligible for price supports at a national average rate of \$1.20 a bushel for corn and related rates for other feed grains. Producers who do not cooperate will not be eligible for price supports on corn or other feed grains.

4. The Commodity Credit Corporation would be authorized to sell during the marketing year for the 1961 crop, at current market prices, as much grain as the successful management of this feed grain program requires. The knowledge that these stocks could be placed on the market would encourage producers to participate in the program rather than gamble on market prices.

5. Support prices for soybeans will be raised to \$2.30 per bushel and the support price for cottonseed raised to a competitive relationship with soybean support prices. This will encourage the diversion of a part of the current feed grain acreage to soybean production. World supplies of high protein meals and vegetable oils are in short supply and the increase in soybean production achieved by the higher price supports can be used to meet current world needs.

The estimated cost to the Government of the conservation payments under this program is from \$400 to \$500 million. There would be an outlay also for payments-in-kind, but these would be more than counterbalanced in time by savings made possible by reducing stocks that require expensive storage and by reducing production of grain that would be eligible for price support loans if produced. There would also be some outlay for price support loans, but, with a reasonably high degree of cooperation among farmers, total feed grain production would be brought more nearly into line with demand so that prices will rise and Government stocks will be absorbed in the market. Thus, the total estimated cost of the program in the long run is only the cost of the conservation practice payments—\$400 to \$500 million. This would replace the estimated expenditures under the existing program of \$1.5 to \$1.6 billion of which we could expect to recover eventually only \$500 million. The net saving under the proposed special program as compared with the existing program would be in the order of \$500 million.

The case for the proposed special program, however, does not rest on estimated savings regardless of how important those may be. Other reasons are impelling.

The gross income of the average feed grain producer would be increased substantially under this program and his net income even more.

In addition, the wasteful buildup of feed grain stocks would be brought to an end, thus alleviating an acute shortage of storage space in the fall of 1961 and avoiding a needless further increase in storage costs. Present Government holdings of feed grains would also be reduced to some extent. Consumer prices will not be affected measurably.

A draft of appropriate legislation to authorize this program is attached. I urge the Congress to enact this legislation speedily. I also respectfully urge the Congress not to complicate the consideration of this legislation by coupling other matters with it and thus inviting delay. Time is of the essence in this matter.

The people are looking to us to find solutions to some of the problems plaguing American agriculture. They would not look kindly upon a failure to avail ourselves of an opportunity to take what is so plainly a forward step.

Sincerely yours,

ORVILLE L. FREEMAN.

SUPPLEMENTAL VIEWS

We take exception to the recommendation in the report that the Secretary of Agriculture should not use his discretionary authority to raise price support levels for soybeans. It is our view that the Secretary should feel free to take such action. The aims of the emergency 1-year, feed-grain program contained in this legislation may be usefully supplemented by an increase in soybean price supports. Such an increase can also be justified for the following reasons:

1. Demand for soybeans and their end products has in recent years expanded rapidly in domestic and foreign markets. The domestic consumption of soybean oil during the past 5 years has increased at the rate of 167 million pounds per year. It is reasonable to expect this rate of increase to continue. Exports of beans and oil have also risen rapidly and can be expected to continue to do so.

2. To use our food and fiber abundance as part of an expanded food-for-freedom program we must further increase our output of edible vegetable oils. These are essential and welcomed dietary supplements to wheat, rice, dried milk, etc. There is great opportunity to use additional soybean production at home, in dollar markets overseas, and for the needy both here and abroad.

3. The cost of handling and storing soybeans is much lower than corn or other feed grains, per acre output.

4. Soybean prices have been at high levels for a number of years, averaging \$2.20 in the period since the Korean conflict. An increase in the support level will prevent price drops in the peak harvest season as supplies increase in response to the new demand factors.

WILLIAM PROXMIRE.

PHILIP A. HART.

STEPHEN M. YOUNG of Ohio.

EUGENE J. MCCARTHY.

MAURINE NEUBERGER.

INDIVIDUAL VIEWS

This bill, which was developed by the chairman, Senator Ellender, is far superior to the bill presented to the committee for its consideration by the Department of Agriculture. The majority of the members of the committee agreed, and I agree, that it is a much more practical plan and has possibilities of success. I also agree to the clear necessity of eliminating section 3 of the administration proposal.

I have long favored soil bank conservation—using a long-term, all-crop plan—as a hopeful and more economical approach to several difficult farm problems. The proposal before us is a temporary, 1-year plan for feed grains only, with relatively high payment rates for part-farm participation. We know that the first acres put into any soil bank are far less effective in reducing surplus production, and cost more in terms of the results achieved, than the additional acres which can well be put to conservation use on many farms. If the emergency feed grain bill reported by the Senate committee is to be enacted, therefore, I suggest that participating farmers should be allowed to put an additional 20 percent of their feed grain acres into the program if they wish to do so—with compensation limited to payments-in-kind.

There have been objections to allowing many whole farms to be put into the existing long-term conservation reserve program, even though the number of farms doing so is limited to protect the economy of any county. I point out that these objections do not apply to my suggestion to permit any 1961 feed grain soil bank to be adapted to local and individual farm needs. First, participation for any farm would be limited to half its 1959–60 feed grain acres (the 30 percent required for price support plus up to 20 percent voluntary participation). Farms would not be taken out of production. Second, the payment-in-kind would permit these farmers to maintain their livestock operations and would keep feed grain in the county. Third, local communities and businesses would benefit to the extent that farmers found that larger participation for their particular 1961 operation would raise their income. Finally, the emergency program is for this crop year only.

I think a second improvement is needed to make any such program practical on small farms. For a farmer having only 25 acres, or 15 acres in feed grains, it seems arbitrary to insist that he can put only $7\frac{1}{2}$ acres or $4\frac{1}{2}$ acres into the program. The remaining $17\frac{1}{2}$ acres or $10\frac{1}{2}$ acres may result in an impractical farm operation. For the Government, the 30-percent limitation applied to the thousands of small farms in many States would result in a great volume of administrative work in order to achieve a small reduction in total feed grain acreage.

I suggest, therefore, that all farms—and most of the small farms are outside the Corn Belt—should be permitted to put up to 30 feed-grain acres into the program, with payment half in cash and half in kind.

I believe that adding these two features to the committee bill would make the program more practical for many farmers, and would help attract the degree of participation needed if it is to achieve the Secretary's goals. Certainly, they could result in a more effective diversion of excess feed-grain acres to conservation cover, and would bring greater returns for each dollar of cost.

The question remains as to whether any temporary measure, operated as a crash program for a single class of crops, can accomplish the results hoped for and can, so close to planting time, do so without waste and in a way that is fair to all farmers.

JOHN SHERMAN COOPER.



87TH CONGRESS
1ST SESSION

S. 993

[Report No. 59]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 20, 1961

Mr. MANSFIELD (for Mr. ELLENDER) (by request) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

MARCH 2, 1961

Reported by Mr. ELLENDER, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To provide a special program for feed grains for 1961.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 105 of the Agricultural Act of 1949, as amend-
4 ed, is amended by adding the following new subsection:

5 “(e) Notwithstanding any other provision of law—

6 “(1) the level of price support for the 1961 crop
7 of corn shall be \$1.20 per bushel;

8 “(2) the level of price support for the 1961 crop
9 of oats, rye, barley, and grain sorghums shall be such
10 level as the Secretary determines is fair and reasonable
11 in relation to the level of price support for corn, taking

1 into consideration the feeding value of such commodity
2 in relation to corn and the other factors set forth in
3 section 401(b) hereof;

4 “(3) the Secretary shall require as a condition of
5 eligibility for price support on the 1961 crop of corn;
6 grain sorghums; and any other feed grain which he
7 may designate that the producer shall participate in the
8 special agricultural conservation program for 1961 for
9 feed grains to the extent prescribed by the Secretary.”

10 SEC. 2. Section 16 of the Soil Conservation and Domes-
11 tic Allotment Act, as amended, is amended by adding the
12 following new subsection:

13 “(c) Notwithstanding any other provision of law—

14 “(1) the Secretary shall formulate and carry out a
15 special agricultural conservation program for 1961, with-
16 out regard to provisions which would be applicable to
17 the regular agricultural conservation program; under
18 which, subject to such terms and conditions as the Sec-
19 retary determines, conservation practice payments in
20 amounts determined by the Secretary to be fair and
21 reasonable shall be made to producers who divert acre-
22 age from the production of corn, grain sorghums, and
23 such other feed grains as the Secretary may designate, to
24 an approved conservation use;

25 “(2) obligations under such program may be in-

1 curred in advance of appropriations therefor (i) for pay-
2 ments in cash in an amount not exceeding \$500,000,000,
3 and (ii) for payments in-kind for diversion of acreage,
4 within such limits as the Secretary may require, in addi-
5 tion to that required to be diverted in order to be eligible
6 for price support. Payments in-kind shall be made
7 through the issuance of certificates redeemable by the
8 Commodity Credit Corporation in accordance with regula-
9 tions prescribed by the Secretary for feed grains or, at
10 the option of the producer to whom the certificate is is-
11 sued, for cash. To the extent such certificates are re-
12 deemed for cash, Commodity Credit Corporation shall
13 sell a sufficient quantity of feed grains at the market price
14 to cover the cost of such cash redemptions;

15 “(3) there are hereby authorized to be appropriated
16 such amounts as may be necessary to enable the Secere-
17 tary to carry out this section 16(c). The Commodity
18 Credit Corporation is authorized to advance from its
19 capital funds such sums as may be necessary to pay
20 administrative expenses in connection with such pro-
21 gram during the fiscal year ending June 30, 1961.”

22 SEC. 3. Notwithstanding any other provision of law, the
23 Commodity Credit Corporation is authorized to sell any feed
24 grain at market prices during the marketing year for the 1961
25 crop of such feed grain.

1 *That, notwithstanding any other provision of law—*

2 *(a) The level of price support for the 1961 crop of*
3 *corn shall be \$1.20 per bushel; and the level of price*
4 *support for the 1961 crops of oats, rye, barley, and*
5 *grain sorghums shall be such level as the Secretary of*
6 *Agriculture (hereinafter called the Secretary) deter-*
7 *mines is fair and reasonable in relation to the level of*
8 *price support for corn, taking into consideration the feed-*
9 *ing value of such commodity in relation to corn and the*
10 *following additional factors: (1) the supply of the com-*
11 *modity in relation to the demand therefor, (2) the price*
12 *levels at which other commodities are being supported,*
13 *(3) the availability of funds, (4) the perishability of the*
14 *commodity, (5) the importance of the commodity to agri-*
15 *culture and the national economy, (6) the ability to dis-*
16 *pose of stocks acquired through a price-support opera-*
17 *tion, (7) the need for offsetting temporary losses of ex-*
18 *port markets, and (8) the ability and willingness of*
19 *producers to keep supplies in line with demand.*

20 *(b) Corn, oats, rye, barley, and grain sorghums of*
21 *the 1961 crop shall be eligible for price support only if—*

22 *(1) the total acreage on the farm devoted to the*
23 *1961 crops of corn and grain sorghums does not*
24 *exceed the average acreage on the farm devoted to*

1 *such commodities in 1959 and 1960, less 30 per*
2 *centum thereof;*

3 *(2) the total acreage on the farm devoted to*
4 *the 1961 crops of such other feed grains as the*
5 *Secretary may designate does not exceed the aver-*
6 *age acreage on the farm devoted to such commodi-*
7 *ties for harvest in 1959 and 1960, less 30 per cen-*
8 *tum thereof;*

9 *(3) the total acreage on the farm devoted to*
10 *the production of nonconserving crops as determined*
11 *by the Secretary which would normally be harvested*
12 *in 1961 does not exceed the total average annual*
13 *acreage on the farm devoted to the production of such*
14 *nonconserving crops for harvest in 1959 and 1960,*
15 *less the sum of the reductions in feed grain acreages*
16 *required by clauses (1) and (2) (such sum being*
17 *hereinafter called the required reduction); and*

18 *(4) the producers on the farm in accordance*
19 *with regulations prescribed by the Secretary of Agri-*
20 *culture—*

21 *(i) devote an acreage on the farm equal to*
22 *the required reduction to soil and water conserv-*
23 *ing uses, and*

1 (ii) do not produce any crop thereon which
2 is normally harvested in 1961 and do not graze
3 such acreage during such year.

4 The Secretary may permit a reduction in corn and grain
5 sorghums acreage in excess of the 30 per centum re-
6 quired under clause (1) to be counted toward any
7 reduction required under clause (2) on such basis as
8 he determines will result in a comparable reduction in
9 acreage in terms of feed value. The acreage described
10 in clause (4) shall be in addition to any acreage devoted
11 to the conservation reserve program. In accordance
12 with regulations prescribed by the Secretary, the acreage
13 of corn, grain sorghums, other feed grains designated
14 by the Secretary, and other nonconserving crops for
15 harvest in 1959 and 1960 may be adjusted to the extent
16 the Secretary determines appropriate for abnormal
17 weather conditions, established crop rotation practices
18 for the farm, changes in the constitution of the farm,
19 participation in soil bank or Great Plains programs,
20 or to give effect to the provisions of law relating to
21 release and reapportionment or preservation of history,
22 and such other factors as the Secretary may deem
23 appropriate. For the purposes of eligibility for price
24 support a producer shall not be deemed to have violated
25 any of the foregoing conditions unless the producer

1 *knowingly violated such condition, but the Secretary*
2 *may provide by regulation for adjusting any payment*
3 *under subsection (c) on account of any violation of any*
4 *such condition or any other condition of eligibility for*
5 *such payment.*

6 *(c) Producers meeting the foregoing conditions of*
7 *eligibility for price support shall be entitled for the num-*
8 *ber of acres of each commodity (corn, or grain sorghums,*
9 *or other feed grain designated by the Secretary) repre-*
10 *sented in the required reduction to—*

11 *(1) a cash payment computed by multiplying*
12 *one-half of such number of acres by the average*
13 *annual yield of such commodity by 50 per centum*
14 *of the basic county support rate for such commodity,*
15 *and*

16 *(2) a payment in kind equal in value to an*
17 *amount computed by multiplying one-half of such*
18 *number of acres by the average annual yield of such*
19 *commodity by 60 per centum of the basic county*
20 *support rate for such commodity.*

21 *For the purposes of this subsection the average annual*
22 *yield of each commodity shall be the average annual*
23 *yield per harvested acre on the farm for the years 1959*
24 *and 1960, adjusted for abnormal weather conditions and*
25 *other factors as determined under regulations prescribed*

1 *by the Secretary. The basic county support rate shall*
2 *be the 1961 crop basic support rate, as determined by the*
3 *Secretary, for the county in which the acreage described*
4 *in subsection (b)(4) is located. The payment in kind*
5 *shall be made by the issuance of a negotiable certificate*
6 *which Commodity Credit Corporation shall redeem in*
7 *feed grains equal in value to the value of the certificate.*
8 *The feed grains redeemable for such certificate shall be*
9 *valued at the market price thereof as determined by the*
10 *Commodity Credit Corporation. In the case of any*
11 *certificate not redeemed within sixty days of the date of*
12 *its issuance, reasonable costs of storage and other carry-*
13 *ing charges, as determined by the Secretary, for the pe-*
14 *riod beginning sixty days after its issuance and ending*
15 *with the date of its redemption shall be deducted from the*
16 *value of the certificate. The Commodity Credit Corpo-*
17 *ration shall provide assistance in the marketing of such*
18 *certificates. The Secretary shall provide by regulations*
19 *for the sharing of payments under this subsection among*
20 *producers on the farm on a fair and equitable basis.*

21 *SEC. 2. (a) The Secretary is authorized to issue such*
22 *regulations as may be necessary to effectuate the program*
23 *authorized by this Act.*

24 *(b) There are hereby authorized to be appropriated such*
25 *amounts as may be necessary to carry out the purposes of*

1 *this Act. Obligations may be incurred in advance of appro-*
2 *priations therefor and Commodity Credit Corporation is*
3 *authorized to advance from its capital funds such sums as*
4 *may be necessary to pay administrative expenses in connec-*
5 *tion with this Act during the fiscal year ending June 30,*
6 *1961.*

87TH CONGRESS
1ST SESSION

S. 993

[Report No. 59]

A BILL

To provide a special program for feed grains
for 1961.

By Mr. ELLENDER

FEBRUARY 20, 1961

Read twice and referred to the Committee on
Agriculture and Forestry

MARCH 2, 1961

Reported with an amendment

Digest of CONGRESSIONAL PROCEEDINGS

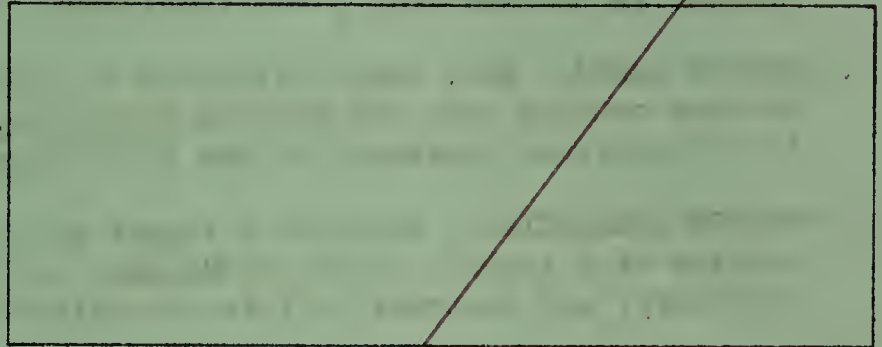
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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Issued March 7, 1961
For actions of March 6, 1961
87th-1st, No. 39



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HIGHLIGHTS: House Rules Committee cleared feed grains bill. Senate committee voted to report depressed areas bill. House passed bill to modify restriction on farm operating loans.

HOUSE

1. FEED GRAINS. The Rules Committee reported a resolution for consideration of H. R. 4510, to provide a special program for feed grains for 1961 (p. 3066). The "Daily Digest" states that the Committee granted "an open rule, waiving points of order, with 4 hours' debate" on the bill (p. D127).
2. FARM LOANS. Passed, under suspension of the rules, H. R. 1822, to increase from 10 to 25 percent the portion of the annual appropriation for Farmers Home Administration operating loans that may be used for loans to borrowers whose operating loan indebtedness would exceed \$10,000. pp. 3035-6
3. APPROPRIATIONS. The Appropriations Committee reported (on Mar. 3, during adjournment of the House) without amendment H. R. 5138, the third supplemental appropriation bill for 1961 (H. Rept. 52) (p. 3065). See Digest 38 for items of interest.
4. FOOD ADDITIVES. The Interstate and Foreign Commerce Committee reported (on Mar. 3, during adjournment of the House) with amendment H. R. 3980, to amend the transitional provisions of the act of September 6, 1958, "To protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of additives which have not been adequately tested to establish their safety" (H. Rept. 53). p. 3065

5. SUGAR. The "Daily Digest" states that the Agriculture Committee met "in executive session on H. R. 3733, to extend the Sugar Act. The committee will continue on this subject, in executive session, Wednesday, March 8." p. D127
6. RESEARCH; FOOD INSPECTION. The Agriculture Committee voted to report with amendment H. R. 4662, to amend the Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959 so as to authorize the Secretary of Agriculture to extend beyond March 5, 1961, the effective date of the registration and enforcement provisions of the Federal Insecticide, Fungicide, and Rodenticide Act with respect to nematocides, plant regulators, defoliants, and desiccants. p. D127
7. FOREIGN TRADE. Rep. Saund discussed U. S.-Mexican relations, particularly Mexican concern over the Mexican farm labor program and increasing competition in international markets for the sale of cotton and coffee. pp. 3040-46
8. FOREIGN CURRENCIES. Received a report on the use of foreign currencies in connection with foreign travel by Members and employees of the Foreign Affairs, Judiciary, and Veterans' Affairs Committees. pp. 3059-65
9. TREASURY REPORT. Received the annual report of the Secretary of the Treasury (H. Doc. 3). p. 3065
10. COMMITTEE ASSIGNMENTS. Reps. Peterson and Alford resigned as members of the Post Office and Civil Service Committee. Rep. Alford was elected a member of the Appropriations Committee. Rep. Hagan was elected a member of the Post Office and Civil Service Committee. pp. 3027-8
11. LEGISLATIVE PROGRAM. The "Daily Digest" states that the third supplemental appropriation bill and the feed grains bill will be considered today (Tues). p. D127

SENATE

12. DEPRESSED AREAS. The Banking and Currency Committee voted to report (but did not actually report) with amendments S. 1, the depressed areas bill. The "Daily Digest" states that the "bill, as approved, would authorize expenditures of \$394 million and would vest its administration under the jurisdiction of the Department of Commerce by an administrator appointed by the President." p. D125
13. FEED GRAINS. As reported by the Agriculture and Forestry Committee, S. 993, to provide a special program for feed grains for 1961, provides for:
 - \$1.20 price support for corn, and comparable price support for oats, rye, barley, and grain sorghums for 1961 crops;
 - A 30 percent diversion of acreage from corn, grain sorghums, and such other feed grains as the Secretary may specify, as a condition of price support for corn, grain sorghums, oats, rye and barley;
 - Payment in cash for half of the reduced production at 50 percent of the support price;
 - Payment-in-kind for the other half of the reduced production at 60 percent of the support price; and
 - Assistance by CCC in the marketing of payment-in-kind certificates.The committee report includes a statement of explanation as follows:

"The details of the proposed diversion are similar to those worked out by Congress in past wheat bills. The total acreage of corn and grain sorghums, and the total acreage of such other feed grains, if any, as might

be designated by the Secretary, would be cut 30 percent below their average acreage for the years 1959 and 1960; and the total acreage of nonconserving crops would be cut by this combined acreage. Specific acreage representing the reduction would be devoted to conservation, and not harvested or grazed. This acreage would be in addition to conservation reserve acreage.

"A producer of both corn and grain sorghums could make the total required reduction from either corn or grain sorghums, whichever he preferred, but to be eligible for any 1961 feed grain price support his combined 1961 acreage of those two commodities would have to be 30 percent below his combined average of such commodities for 1959 and 1960. If other feed grains were designated under section 1(b)(2) of the committee amendment the combined acreage of such other feed grains would have to be reduced 30 percent, but the Secretary could, to such extent as he saw fit, permit a reduction in corn and grain sorghums in excess of that required under section 1(b)(1) to count toward the required reduction of other feed grains under section 1(b)(2). For the acreage of each feed grain reduced pursuant to the program the producer would be paid in cash for half of the reduced production at 50 percent of the support price and in kind for the other half at 60 percent of the support price. The amount of the reduced production would be based on the 1959-60 average annual yield.

"Payments in kind would be made in negotiable certificates redeemable for a specified dollar value in feed grains valued at the market price. If not redeemed within 60 days, reasonable storage and carrying charges for the period following such 60 days would be deducted from the value of the certificate. Assistance in marketing certificates would be furnished by Commodity Credit Corporation.

"The Secretary of Agriculture could make adjustments in base acreages and yields for various factors such as abnormal weather, soil bank participation, and crop rotation.

"Payments would be shared by the producers on the farm. Feed grains received as payments-in-kind would not be eligible for price support."

ITEMS IN APPENDIX

1. FEED GRAINS. Extension of remarks of Rep. Beermann inserting two articles, "Washington Wire: Cochrane Concoction: Killer of Farm Freedom," and "RX From the White House: Feed Grains Blaze 'Frontier' Trail; First Aid or Habit Forming?" criticizing the proposed feed grains bill. pp. A1503-4
Extension of remarks of Rep. Beermann inserting an article, "Farm Philosophy -- Administration Idea Is Hooked To Ambitious Controls," and stating that the article "confirms an opinion of mine that this bill is the first step toward a complete Federal takeover of the American farm." pp. A1519-20
Extension of remarks of Rep. Harsha opposing the proposed feed grains bill and stating that "the Kennedy administration has made its farm move a la Orville Freeman and a disastrous move it is." p. A1537
15. WATER RESOURCES. Rep. Breeding inserted a Kansas Engineering Society resolution urging an accelerated program for the development of water resources. p. A1516
16. FOREIGN AID; FARM PROGRAM. Extension of remarks of Rep. Fascell inserting an article describing a program through which the Government of India hopes to provide education and training to its rural population in cooperative farming, marketing, and actual farm management. pp. A1516-7

17. VETERANS' LOANS. Extension of remarks of Rep. Teague urging the passage of legislation to provide additional financing for veterans' homes. pp. A1524-5
18. SURPLUS COMMODITIES. Extension of remarks of Rep. Cooley commending and inserting an address by former Rep. Hope, "Our Expanding Foreign Markets for Agriculture." pp. A1525-7
19. DEPRESSED AREAS. Rep. Breeding inserted a National Rural Electric Cooperative Association resolution urging early passage of legislation to provide an effective area development program. p. A1527
20. WOOL. Extension of remarks of Rep. Olsen urging enactment of legislation to extend the National Wool Act and discussing the importance of wool production on the economy of Mont. p. A1541
21. WILDLIFE; WATER POLLUTION. Rep. Dingell inserted an address by Seth Gordon, "Impacts of Pollution on Fish and Wildlife, Recreation, and Esthetic Values." pp. A1541-3

BILLS INTRODUCED

22. WATER. H. R. 5207, by Rep. King, Utah, and H. R. 5224, by Rep. Rogers, Tex., to promote harmony between the United States and the States of the Union with respect to the administration of water, to strengthen rights to the use of water acquired under State law; to Interior and Insular Affairs Committee.
23. EDUCATION; FOREIGN AFFAIRS. H. R. 5203, by Rep. Hays, and H. R. 5204, by Rep. McDowell, to provide for the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges; to Foreign Affairs Committee. Remarks of Rep. McDowell. p. 3058
24. WATER POLLUTION. H. R. 5208, by Rep. Lesinski, to amend the Federal Water Pollution Control Act to provide for a more effective program of water pollution control; to Public Works Committee.
25. FARM LOANS. H. R. 5205, by Rep. Horan, to authorize the Secretary of Agriculture to make loans to farmers for the purpose of refinancing outstanding indebtedness, to purchase machinery and equipment, and to broaden use of disaster loan revolving fund; to Agriculture Committee.
26. SUGAR. H. R. 5206, by Rep. King, Utah, to extend the provisions of the Sugar Act of 1948, as amended; to Agriculture Committee.
27. SURPLUS PROPERTY. H. R. 5196, by Rep. Breeding, to amend the Federal Property and Administrative Services Act of 1949 to permit donations of surplus property to certain educational institutions; to Government Operations Committee.
28. HIGHWAYS. H. R. 5200, by Rep. Fallon, to amend certain laws relating to Federal-aid highways; to make certain adjustments in the Federal-aid highways program; to Public Works Committee.
29. PERSONNEL. H. R. 5225, by Rep. Ryan, to provide for recognition of Federal employee unions and for the adjustment of grievances; to Post Office and Civil Service Committee.

CONSIDERATION OF H.R. 4510

MARCH 6, 1961.—Committed to the Committee of the Whole House and ordered
to be printed

Mr. SISK, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 208]

The Committee on Rules, having had under consideration House Resolution 208, report the same to the House with the recommendation that the resolution do pass.



House Calendar No. 20

87TH CONGRESS
1ST SESSION

H. RES. 208

[Report No. 59]

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 1961

Mr. SISK, from the Committee on Rules, reported the following resolution;
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the Union
4 for the consideration of the bill (H.R. 4510) to provide a
5 special program for feed grains for 1961, and all points of
6 order against said bill are hereby waived. After general de-
7 bate, which shall be confined to the bill and continue not to
8 exceed four hours, to be equally divided and controlled by the
9 chairman and ranking minority member of the Committee on
10 Agriculture, the bill shall be read for amendment under the
11 five-minute rule. It shall be in order to consider without
12 the intervention of any point of order the substitute amend-

1 ment recommended by the Committee on Agriculture now in
2 the bill and such substitute for the purpose of amendment
3 shall be considered under the five-minute rule as an original
4 bill. At the conclusion of such consideration the Com-
5 mittee shall rise and report the bill to the House with such
6 amendments as may have been adopted, and any Member
7 may demand a separate vote in the House on any of the
8 amendments adopted in the Committee of the Whole to the
9 bill or committee substitute. The previous question shall be
10 considered as ordered on the bill and amendments thereto
11 to final passage without intervening motion except one
12 motion to recommit, with or without instructions.

House Calendar No. 20

87TH CONGRESS
1ST SESSION

H. RES. 208

[Report No. 59]

RESOLUTION

For consideration of H.R. 4510, a bill to provide a special program for feed grains for 1961.

By Mr. SISK

MARCH 6, 1961

Referred to the House Calendar and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

Issued March 8, 1961
For actions of March 7, 1961
87th-1st, No. 40

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HIGHLIGHTS: House passed supplemental appropriation bill. House debated feed grains bill. Sen. Hickenlooper introduced (with others) and discussed bill to establish cropland adjustment program.

HOUSE

1. THIRD SUPPLEMENTAL APPROPRIATION BILL, 1961. Passed with amendments this bill, H. R. 5188 (pp. 3143-66). By a vote of 336 to 62, agreed to an amendment by Rep. Fogarty to provide \$29,990,000 additional for aid to school districts in federally impacted areas (pp. 3155-63, 3165-6). See Digest 38 for other items of interest.
2. FEED GRAINS. Began debate on H. R. 4510, to provide for a special program for feed grains for 1961. pp. 3168-81
3. RESEARCH; FOOD INSPECTION. The Agriculture Committee reported with amendment H. R. 4662, to amend the Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959 so as to authorize the Secretary of Agriculture to extend beyond March 5, 1961, the effective date of the registration and enforcement provisions of the Federal Insecticide, Fungicide, and Rodenticide Act with

respect to nematocides, plant regulators, defoliants, and desiccants (H. Rept. 61). p. 3199

4. EDUCATION. Both Houses received from the President a proposed bill to provide for the construction of academic facilities and for undergraduate scholarships; to S. Labor and Public Welfare and H. Education and Labor Committees. pp. 3119-20, 3199
5. COMMITTEE ASSIGNMENTS. The Speaker appointed Reps. Mills, Cannon, King, Mason, Mahon, and Taber as members of the committee to investigate nonessential Federal expenditures. p. 3181
6. PEACE CORPS. Rep. Reuss inserted the report of a special task force to the President recommending the establishment of a Peace Corps and explaining how the program should be administered. pp. 3184-7
7. TOBACCO IMPORTS. Rep. Halpern urged that an embargo be placed on the importation of Cuban cigars and that the U. S. increase the importation of Jamaican cigars. pp. 3194-5
8. FOREIGN CURRENCIES. Received a report on the use of foreign currencies in connection with foreign travel by Members and employees of the Agriculture and Science and Astronautics Committees and the U. S. delegation to the Inter-parliamentary Union. pp. 3196-8
9. FOOD STAMP PLAN. Received a Troy, O., labor union resolution favoring inclusion of Ohio in the experimental food stamp plan. p. 3201

SENATE

10. SALINE WATER. Sen. Anderson inserted the report of Secretary of Interior Udall on the activities of the Office of Saline Water during 1960. pp. 3142-2
11. PEACE CORPS. Sen. Humphrey commended the President's action establishing a Peace Corps and inserted several articles commending the action. pp. 3107-12
12. WHEAT. Sen. Carlson inserted a Reno, Co., Kan., Farmers' Union resolution favoring "the general principles of the 1960 marketing program for wheat, supported by the National Grange, the National Farmers' Union, the National Association of Wheat Growers, and other farm groups, as offering the greatest possibilities for a farm program beneficial to wheat producers." p. 3072
13. PUBLIC LANDS. Sen. Bennett inserted two letters from himself and Sens. Dworshak, Goldwater, and Allott to Secretary of Interior Udall in which they "protest the recent Interior Department order dated February 14 which locks up to 180 million acres of public domain land." pp. 3142-4
14. FOREIGN AFFAIRS. By a vote of 16 to 0, the Foreign Relations Committee approved a resolution of ratification of the Convention for Economic Cooperation and Development. p. D130
15. FOREIGN CURRENCIES. Received a report on the use of foreign currencies in connection with foreign travel by Members and employees of the Armed Services Committee. pp. 3073-4

adequately staffed, that they are overcrowded, that they are financed largely by a property tax incapable of bearing much more of a State or municipal load.

These are the real issues; the bold and fundamental ones; the national ones. And they are urgent enough to make the rest seem like shadows or vanity. But we cannot afford the vanity of party politics in this instance, the vanity of Democrats versus Republicans. A hard and cold fact presides: one-third of our brighter students do not go on to higher education, do not explore their own potential, do not contribute as much as they can to the country. The reason: lack of funds. Surely the vanity of politics is insupportable here.

Nor can we afford the shadow arguments: Those that oppose "Federal intervention in our education system." We all know that President Kennedy's bill provides financial assistance for classroom facilities and scholarships for the bright, needy students in the country, and that it does not provide for Federal interference in matters of books, curriculum, teaching procedures, hiring policies, and so forth. On the contrary, it deliberately leaves to the States the matter of conducting their own educational policy. No, we are not confronted here with Federal intervention, but rather with the worn shadows of old arguments and old stances.

And, finally, we cannot afford to delay because the cost is too great. We all know, or should know, that the billions spent in national defense are worthless if the Nation contracts instead of expands. We arm ourselves so as to protect the people and the right of the people to develop and expand their lives.

It is a curious and provoking phenomenon that each generation in our country seems to have acquired both a title and a series of characteristics, not all of which have been endearing. We have all heard of the lost generation of the twenties and the depression generation of the thirties; the war generation of the forties and the silent and beat generations of the past decade. These have been, for the most part, moods and attitudes and poses that only a small segment of our society have maintained. But they have characterized America in a way that the lawmakers and the vast majority of our populace have not. They have set a tone and an image for America, and often our children and our children's children have found themselves confronted with that image as though it were definition and history. Significantly, we, the Congress of the United States, the representatives of the people, have had little to do either with creating the image for the new generation or with guiding it. I think, though, that we have such an opportunity today, an opportunity to launch an educated generation, a generation to whom we

offer, in the name of the United States, possibility.

Under unanimous consent, I insert at the end of these remarks Secretary Ribicoff's letter to the President outlining the provisions of the College Academic Facilities and Scholarship Act, along with figures estimating the number of scholarships and the amount of money allocated to States under the terms of the administration's proposed revision of title II of NDEA:

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE,
March 6, 1961.

THE PRESIDENT,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: Enclosed is a proposed bill entitled the "College Academic Facilities and Scholarship Act." This bill would provide Federal loan assistance to institutions of higher education for the construction of academic facilities, and would authorize a program of undergraduate scholarships to enable students of outstanding ability to pursue a program of higher education. The bill would carry out the recommendations on higher education contained in your special message to the Congress on education of February 20.

The proposed bill provides for two major programs:

1. Academic facilities. The bill would establish a 5-year program of long-term, low-interest construction loans by the U.S. Commissioner of Education to institutions of higher education (or to higher education building agencies). Loans would be available to finance up to three-fourths of the cost of (a) providing—through new construction, expansion, acquisition, replacement, or other methods—needed classrooms, libraries, and administrative and other academic facilities and initial equipment therefor, or (b) improving existing academic facilities through rehabilitation, alteration, or conversion, or through modernization or replacement of built-in equipment, or the like.

In order to obtain program funds, the Commissioner of Education would be authorized to borrow funds from the Treasury in accordance with the same procedure, and at the same rate of interest, as is provided for in the college housing program, but such funds could be obtained only in such maximum aggregate amounts as would be specified in appropriation acts, not exceeding \$300 million in the fiscal year 1962 and a rate of increase of \$300 million in the program ceiling as of July 1 of each of the next 4 fiscal years.

The bill would apply to institutions in the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam. Not more than 12½ percent of the aggregate amount of loans could be made available to institutions in any one State or other jurisdiction to which the bill applies.

Except as above stated, the provisions of the bill as to the terms and conditions under which loans would be available to institutions of higher education or to higher education building agencies, including the rate of interest to be charged on such loans, and other features of the bill relating to academic facilities, would be the same as or similar to provisions of the college housing program as contained in the Housing Act of 1950, as amended.

2. Undergraduate scholarships. The bill would provide during the next 5 years for the award of a total of 212,500 4-year undergraduate scholarships for able high school graduates who need assistance to continue their education through college.

The fiscal year 1962 appropriation authorization of \$17.5 million would be sufficient to provide a total of 25,000 awards carrying financial need stipends up to \$1,000 per year, assuming the award per student averages about \$700 per year. The bill would also authorize a fiscal year 1963 appropriation of \$26.25 million which would be sufficient to provide 37,500 new awards, and an appropriation of \$35 million in fiscal 1964 and each of the 2 succeeding fiscal years, which would be sufficient to provide 50,000 new awards each year. In addition, the bill would authorize, commencing in the fiscal year 1963, such appropriations as are necessary during the 7 succeeding years to continue scholarship payments to students who have previously been awarded scholarships and are continuing their studies.

The Federal funds appropriated for new scholarship awards would be allotted among the States, one-half on the basis of the number of high school students graduating each year in each State, and one-half on the basis of the number of persons of high school age in each State.

In order to participate in this program, each State would establish or designate a State scholarship commission broadly representative of the high schools and colleges, and of the public, and submit through such commission a State plan for administering the scholarship program. The State commission would select scholarship award winners on the basis of scholastic ability and academic achievement and would determine the amount of the stipend to accompany each such award. The State scholarship commission would develop and submit in its plan objective and equitable procedures and criteria for selecting the scholarship winners solely on the basis of merit and for determining their stipends solely on the basis of their need for financial assistance to commence and continue their education at an institution of higher education. The bill provides for approval of State plans by the Commissioner of Education.

Scholarship winners selected under this program could attend any college of their choice which admits them. The scholarship award, subject to review by the State commission each year in terms of the student's financial need for such year, would continue for 4 years of satisfactory study leading to a bachelor's degree, and provision would be made for granting leaves of absence to scholarship holders for military service, personal illness, or other satisfactory reasons.

The necessary expenses of each State scholarship commission for the proper and efficient administration of the approved State plan would be borne by the Federal Government.

In order to partially compensate institutions of higher education for the expenses, in excess of the tuition and other fees paid by scholarship holders, which the institution incurs in providing them a college education, the bill provides that for each scholarship holder a "cost of education allowance" amounting to \$350 per year is to be paid to the college or university he attends.

Faithfully yours,

ABRAHAM RIBICOFF,
Secretary.

Estimated number of scholarships and amount of money allocated to States under the terms of the administration-proposed revision of title II of the National Defense Education Act

	Fiscal year 1962		Fiscal year 1966			Fiscal year 1962		Fiscal year 1966	
	Total scholarships ¹	Amount	Total scholarships ^{1,2}	Amount		Total scholarships ¹	Amount	Total scholarships ^{1,2}	Amount
(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)
Aggregate, United States.....	25,000	\$17,500,000	187,500	\$131,250,000	Nebraska.....	219	\$153,300	1,643	\$1,150,100
50 States and District of Columbia.....	24,750	17,325,000	185,625	129,937,500	Nevada.....	33	23,100	251	175,700
Alabama.....	519	363,300	3,889	2,722,300	New Hampshire.....	88	61,600	650	461,300
Alaska.....	15	10,500	111	77,700	New Jersey.....	717	501,900	5,374	3,761,800
Arizona.....	160	112,000	1,197	837,900	New Mexico.....	131	91,700	984	688,800
Arkansas.....	306	214,200	2,292	1,604,400	New York.....	2,035	1,424,500	15,268	10,687,600
California.....	1,898	1,328,600	14,237	9,965,900	North Carolina.....	715	500,500	5,365	3,755,500
Colorado.....	234	163,800	1,754	1,227,800	North Dakota.....	109	76,300	817	571,900
Connecticut.....	316	221,200	2,367	1,656,900	Ohio.....	1,329	930,300	9,968	6,977,600
Delaware.....	56	39,200	418	292,600	Oklahoma.....	390	273,000	2,924	2,046,800
Florida.....	543	380,100	4,074	2,851,800	Oregon.....	270	189,000	2,023	1,416,100
Georgia.....	552	386,400	4,139	2,897,300	Pennsylvania.....	1,631	1,141,700	12,233	8,563,100
Hawaii.....	109	76,300	817	571,900	Rhode Island.....	116	81,200	872	610,400
Idaho.....	116	81,200	872	610,400	South Carolina.....	369	258,300	2,766	1,936,200
Illinois.....	1,332	932,400	9,996	6,997,200	South Dakota.....	111	77,700	835	584,500
Indiana.....	681	476,700	5,105	3,573,500	Tennessee.....	531	371,700	3,982	2,787,400
Iowa.....	449	314,300	3,369	2,358,300	Texas.....	1,268	887,600	9,513	6,659,100
Kansas.....	328	229,600	2,460	1,722,000	Utah.....	150	105,000	1,123	786,100
Kentucky.....	458	320,600	3,434	2,403,800	Vermont.....	66	46,200	492	344,400
Louisiana.....	462	323,400	3,462	2,423,400	Virginia.....	522	365,400	3,917	2,741,900
Maine.....	141	98,700	1,058	740,600	Washington.....	405	283,500	3,035	2,124,500
Maryland.....	387	270,900	2,905	2,033,500	West Virginia.....	337	235,900	2,524	1,766,800
Massachusetts.....	688	481,600	5,160	3,612,000	Wisconsin.....	608	425,600	4,557	3,189,900
Michigan.....	1,124	786,800	8,437	5,905,900	Wyoming.....	52	36,400	390	273,000
Minnesota.....	551	385,700	4,130	2,891,000	District of Columbia.....	79	55,300	594	415,800
Mississippi.....	345	241,500	2,589	1,812,300	Canal Zone.....				
Missouri.....	590	413,000	4,427	3,098,900	Guam.....				
Montana.....	109	76,300	817	571,900	Puerto Rico.....	250	175,000	1,875	1,312,500
					Virgin Islands.....				

¹ Based on the assumption that the amount per scholarship in each State will average \$700.

² Consists of the total new scholarships to be made available for fiscal years 1963, 1964, 1965, and 1966.

NOTE.—The allocation to each State is estimated on the basis of 1957-58 high school graduates and 1958 population aged 14 to 18.

FEED PROGRAM FOR 1961

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 208 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4510) to provide a special program for feed grains for 1961, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Agriculture now in the bill and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio, and at this time I yield myself such time as I may require.

Mr. Speaker, House Resolution 208 provides for the consideration of H.R. 4510,

a bill to provide for a special program for feed grains for 1961. The resolution provides for an open rule, waiving points of order, with 4 hours of general debate.

The purpose of H.R. 4510 is to establish a 1-year emergency program to reduce the production of feed grains in the crop year 1961 and thereby alleviate conditions of oversupply and low prices which are seriously depressing a major segment of the Nation's agriculture and placing on taxpayers the burden of holding nearly \$4 billion of these grains in the bins of the Commodity Credit Corporation.

It is anticipated that the bill will assure increased income for participating farmers in the feed grain sector of our agricultural economy; assure the consumer of fair and stable prices for meat, poultry, and dairy products; reduce the Government's holdings of feed grains; and cost the taxpayer some \$500 million less than the present program.

This is an emergency—not a long-range policy for agriculture. It is a voluntary acreage reduction program with certain extraordinary inducements for farmers to participate therein. There is no mandatory provision in the bill.

The Committee on Agriculture has consistently taken the position that if price supports above a minimum level are to be afforded a commodity, the producers of that crop should be willing to accept mandatory controls on their production. Such controls should not be established, however, until producers have had an opportunity freely to approve them. Obviously, for 1961, there is no time for the formulation of a control program and a referendum on it by

feed-grain producers. Therefore, there should be approved a program based on a voluntary, rather than a mandatory, effort on the part of feed grain producers to keep their production in line with demand.

Much of the authority to formulate and carry out this program is to be found in existing law. The bill reported herewith merely supplements that authority where necessary and does not spell out all the details of the program proposed and authorized for 1961. However, additional details of the program are to be found in the report of the Agriculture Committee.

Mr. Speaker, I urge the adoption of House Resolution 208.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Iowa.

Mr. GROSS. Do I understand that points of order are waived under this rule? And, does it provide for amendments?

Mr. SISK. If I might say to my colleague from Iowa, it does waive points of order, but it is an open rule in that it will permit amendments to any section of the bill.

Mr. GROSS. By any Member of the House?

Mr. SISK. By any Member of the House.

Mr. GROSS. Why were points of order waived?

Mr. SISK. It is my understanding, I might say to the gentleman from Iowa, that there are certain matters touched on in the bill where possibly a point of order might be raised. It was at the request of the chairman and the members

of the Committee on Agriculture that points of order be waived. I am not too sure as to whether or not these particular sections or paragraphs might be subject to a point of order, but it is my understanding that there was some fear, and, therefore, the rule does provide for that. However, it is a completely open rule otherwise. It provides for 4 hours of general debate and then provision for amendments by any Member of the House to any section of the bill.

(Mr. SISK asked and was given permission to revise and extend his remarks.)

Mr. BROWN. Mr. Speaker, I yield such time as he may desire to the gentleman from Connecticut [Mr. SEELY-BROWN].

Mr. SEELY-BROWN. Mr. Speaker, I am opposed to H.R. 4510 as reported by the Committee on Agriculture. This bill proposes to establish a 1-year emergency program to reduce the production of feed grains in the crop year 1961.

My opposition to this legislation is based on the fact that, if enacted, it would increase the level of price supports for feed grains. Even worse, it provides no limit on the level of this price support. Let us make no mistake about it: The higher cost of this program would come out of the hides of the poultry, dairy, and livestock producers not only in my section of the country, but in all regions of the Nation.

This bill, by raising the price supports on feed grains, would in fact place the Government in the position of bidding against itself in trying to get farmers to retire land. Let me also point out another result. If we try to cut acreage through a program that also raises price supports, we give every farmer the strong incentive to increase his yield per acre on his remaining land, through use of improved farming practices such as fertilization, irrigation, and so forth. The result would be that much of the proposed effect of cutting feed grain acreage would be lost.

Let me demonstrate further how this bill would be to the very serious disadvantage of the dairy and poultry farmers in my district.

In the first place, we would face the prospect of an uncertain feed grain supply because we would not have definite knowledge of the amount to be released by the Commodity Credit Corporation.

In the second place, the uncertainty of the amount to be released by the Government would have a definite effect on the market price. Dairy farmers and poultry farmers, therefore, would be unable to plan their operations in advance because of uncertainties as to price and supply of feed.

This bill contains an additional danger, if the Government decided to release substantial quantities of Government-held feed grain stocks as payment in kind, in the grain-producing areas. The result would be, of course, a real expansion in the number of dairy and poultry producers in these grain-producing areas.

This means rewarding cash grain farmers at the expense of livestock feeders.

In summary, this is a hasty, ill-considered bill.

I recognize the need for legislation to deal with wheat and feed grains. What is needed is a program designed to get at the basic causes of the surplus problem.

If we begin now to work on such a proposal, the Committee on Agriculture surely can have it ready in time to be effective with regard to the fall plantings of crops to be harvested in 1962. No short-run, temporary, so-called emergency measure will cure the ills of a program that is so complicated and one that affects so many of our agricultural producers and consumers. Hasty action as proposed in this bill will create more problems than it will solve.

Mr. BROWN. Mr. Speaker, I yield myself such time as I may consume.

(Mr. BROWN asked and was given permission to revise and extend his remarks.)

Mr. BROWN. Mr. Speaker, as the gentleman from California [Mr. SISK] has so ably explained this rule provides for 4 hours of general debate on H.R. 4510, the so-called feed grain bill, or the so-called farm bill, waiving all points of order but, as the gentleman explained, making any part of the bill subject to amendment offered by any Member from the floor of the House. The gentleman from California, in his very fair statement, also pointed out that this is a very controversial measure.

Mr. Speaker, I would like to call the attention of the House, if I may, and especially of those who represent the rural areas in the West, the great Middle West, and the Eastern Seaboard States, that this bill contains certain provisions in its present form that, in my opinion, and in the opinion of many, even of members of the Committee on Agriculture, who testified before the Committee on Rules, would work a great hardship and perhaps even be destructive of the rights of many farmers in those sections of the country. This bill, as presented to us, completely violates certain concepts we have always had, here in the Congress, that, as quickly as we can, we should remove Government controls from agriculture.

This bill as written, if enacted, would substitute instead some sort of "voluntary compulsion," as it was described. If anyone here can enlighten the gentleman from Ohio as to just what voluntary compulsion means, I would like to know. It probably means being compelled to do something voluntarily against your will.

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. BROWN. I yield to the gentleman.

Mr. PELLY. Is that what they use in the Committee on Rules sometimes?

Mr. BROWN. No; we have no compulsion in the Committee on Rules. There we permit the membership of the House always to work its will.

I refer to section 3 of this bill and I think Members ought to study it very carefully. Section 3 of the bill would permit the Secretary of Agriculture to

sell grain in Government storage at 17 percent below the price support level. Let us see for a moment what that means. The bill provides the Secretary will be authorized to fix the support price on feed grains at not less than 65 percent of parity. By the way, that is an open-end arrangement. It does not say how much above 65 percent of parity he might fix it. In his judgment and in his innate wisdom he might fix it at 100 percent or 120 percent or 200 percent of parity, if he saw fit to do so. However, the present Secretary of Agriculture—and I take it he is a man of his word—has announced publicly, before the committee and in other places, that he expects to fix the support price on corn—we will use that as an example, because I know more about corn than probably any other farm product. He has announced that he expects to fix the support price on corn at 74 percent of parity, not 65 percent of parity. That would figure out \$1.20 a bushel for corn. That is an open-end arrangement. He can change that price anytime. He might fix it at 65 percent of parity. That would mean the corn price would suddenly drop from \$1.20 back to about \$1.06 a bushel. He might go, as I suggested a moment ago, the other way and increase the parity price to \$1.50 or \$2 a bushel, put it anywhere he wanted to, or as high as he wanted to. Then, whatever the support price might be on corn, or any other grain, he would have the right to sell from Government storage—that is, CCC-held grain—any amount at 17 percent below the support price. If the support price on corn were \$1.20 he could sell the corn for \$1.06.

If the parity price should be \$1.06 then he could sell the corn for about 90 cents a bushel, if I remember the figures correctly, just whatever he might see fit to do. That is a new concept, because we never before have had in the law any authority to fix, or an open-end authority, let us put it that way, to fix a ceiling, not a floor but a ceiling, on parity prices, not to fix any at all but just let prices range any place someone in his discretion might wish to set them. We never before have had in any agricultural act I know of any provision that grain, or any other farm surplus held by the Commodity Credit Corporation, could be sold for less than the parity price plus the cost of storage.

If a farmer sells his corn he can put 20 percent of his corn acreage into the soil bank retirement plan and draw 50 percent of the value of his average corn crop in cash. If he retires another 20 percent of his land he could draw 60 percent in kind, that is, in corn, if he wanted to. Then he could turn around and use the corn he got in kind to feed hogs. He could use the cash he received for putting 20 percent of his acreage into the Soil Bank, to buy corn at a lower price, and then he would sell his newly raised corn to the Government. He would sell his full crop at \$1.20 per bushel if that is what he wanted to do, and buy it back at \$1.06, under this arrangement.

Some committee member said, "We hope nobody will be able to figure that out, because he could make a good profit

out of that deal." I made the observation, in the Rules Committee, and I want to make it again here, that the farmers of our country are smarter than some people think they are. So this is a dangerous situation, because the farmer will lose complete control of his grain markets. The market prices can change or be changed at any time. Grain can be sold at almost any price the Secretary wants to sell it, which will of course influence the price of hogs or cattle.

Rather strangely, we found most of the members of the Committee on Agriculture who appeared before the Rules Committee none too happy, in fact, rather unhappy as to the different provisions in this bill. I imagine if you would sort of average out their likes or dislikes, or their grunts or disgrunts, as some people might say, on this bill, in all probability the majority of the committee would be against the measure in one form or another unless it was changed drastically.

Let me point out one of the difficulties about this, and I ask to be corrected by the gentleman from North Carolina [Mr. COOLEY] if I am wrong. As I said in the Rules Committee, he knows more about the cotton market than anybody in America. Today we sell cotton to Japan for 6.5 cents a pound less than the American textile manufacturers have to pay. The American manufacturers have to buy cotton from the Commodity Credit Corporation at full parity price plus the cost of storage. Under the present bill, as I understand, the differential may rise as high as 8.5 cents. The textile manufacturers of this country do not like the idea of having to pay more for cotton here at home than the Japanese pay over in Japan for the same cotton, raised in this country, with the Federal Government taking the loss.

If we did this thing on feed grain, immediately there would arise a great demand from the textile industry and other industries in the United States that we do exactly the same thing in connection with the selling of cotton, so they be permitted to buy it 17 percent below the parity price in order they might meet foreign competition.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROWN. I yield to the gentleman from Iowa.

Mr. GROSS. I think the gentleman will find that the Secretary of Agriculture only recently raised the discount on export cotton to 8, not 6 or 6.5 cents.

Mr. BROWN. To 8.5 cents.

All I am trying to do is call your attention to this fact, that every Member of the House should pay close attention to the general debate and the discussion of the different phases of this bill, especially to the statements by members of the Committee on Agriculture, who have given it so much thought and attention.

This bill, by the way, and I must not forget to mention it, is a temporary bill for 1 year only. It does nothing with the wheat problem, or with the surplus of wheat we have on hand. We have no control over that. Many people argue and, perhaps, properly so that we cannot

possibly control feed grains unless we also control wheat production. There is nothing mandatory about this bill—it is just "voluntarily compulsive." In other words, under it they cannot compel a farmer to go into the program, but if he does not, he loses all these benefits. Let me go a little bit further. In this bill, for the first time, rather to my amazement, my friends on the right have accepted in writing this bill, something that they opposed in the past, and that is a soil bank idea which the past administration sponsored and that we endeavored to enlarge upon once in this House, and to expand, but needed funds were denied for that purpose so that many farmers could not go into it and reduce their feed production.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. BROWN. I yield to the gentleman from Illinois.

Mr. MASON. Since the gentleman has called attention to the fact that the provisions of this bill later on might be applied to cotton; would you not also agree that they might be applied to wheat?

Mr. BROWN. Oh, yes, they might apply to any product, certainly. In other words, this is just a "temporary bill."

Mr. MASON. In other words, it sets a precedent.

Mr. BROWN. I do hope that close attention will be given to the measure as it comes under general debate.

Mr. Speaker, I reserve the balance of my time.

Mr. SISK. Mr. Speaker, if there are no further requests for time, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4510) to provide a special program for feed grains for 1961.

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-one Members are present, a quorum.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina [Mr. COOLEY].

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H.R. 4510, with Mr. IKARD of Texas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] will be recognized for 2 hours; and the gentleman from Iowa [Mr. HOEVEN] will be recognized for 2 hours.

Mr. HOEVEN. If the gentleman will permit me, I would like to yield 5 minutes at this time to the gentleman from Illinois [Mr. FINDLEY].

Mr. COOLEY. That is satisfactory.

Mr. FINDLEY. Mr. Chairman, I wish to commend the Committee on Rules for the rule on this bill. It brings the bill to us in a manner which enables Members of this body to work their will. Amendment is possible, and I speak at this point in the proceedings to call attention to an amendment which I will later move.

I do so for this reason: My proposal, although relatively simple, may raise questions. I welcome the opportunity to answer questions concerning my amendment at any time during the treatment of the bill.

Explanations are available at the tables.

Mr. Chairman, the stockpiling of unwanted, unneeded feed grain surpluses through Commodity Credit Corporation is a heavy burden on all taxpayers. It is an ever-present threat to market prices. So long as high Government stocks hang over the market, feed grain producers can have no real opportunity, no real prosperity.

These surpluses are a roadblock to better farm income. Even worse they are a threat to free enterprise in farming and free enterprise in marketing.

The evidence of this threat is ample—and nowhere is it more present and more obvious than in the feed grain bill now before us. H.R. 4510 is dangerous. It would create more problems than it would solve.

Not the least of its shortcomings is the fact, painful but true, that it would not materially reduce Government grain stocks.

This bill is the offspring of earlier foolishness in farm legislation. Controls beget controls. Bad laws beget bad laws.

Surplus stocks are such a problem that the administration now asks for authority to break the market by dumping surpluses and to replace the free grain market with a government grain market.

If this bill is enacted and the administration carries out its expressed intent, we will have moved the American farmer far down the road of regimentation—in the name of helping the farmer to meet his problems.

The problem is challenging. We must get the surplus off the backs of the farmers and off the backs of other taxpayers too. We need to start at once. But we must do it in a manner which will protect, not destroy free enterprise on farms and in markets.

My amendment will accomplish both these goals. It will provide an orderly system for disposing of surplus stocks, and it will not interfere with normal functioning of the market. It will remove the surpluses as a threat to farm income, and it will open the door to expanding markets and better income for farmers through the free enterprise market.

My proposal is to sell surplus feed grain stocks back to producers at an attractive price in exchange for the producer's agreement not to raise any of that crop that one crop year. To get this attractive price, each producer would also have to agree to leave idle sufficient acreage to produce the amount of grain he buys from the government.

For example, Farmer Brown can show an average production of 10,000 bushels of corn. His average yield is 100 bushels to the acre. Before planting time, he would contract with the Secretary of Agriculture, agree to lay idle 100 acres of tillable ground, agree not to plant any corn that year; in exchange, he would have the right, at harvest time, to buy 10,000 bushels of government corn at a specified price.

The price would be set by the Secretary of Agriculture, on the basis of area surveys, at a level which would assure sufficient participation to get rid of about one billion bushels of government corn this year. The price of course would be adjusted for grade and condition of corn, and as a protection to those participating, the price for government corn could not exceed one-third of the market price on October 1.

My amendment would eliminate feed grain surpluses in 2 years.

Taxpayers would be relieved of heavy storage cost.

The volume of grain in market channels would be kept in balance.

Today's unwanted surplus would be converted to cash.

My amendment could be the redeeming feature of an otherwise hopeless bill. My proposal is direct, positive, in accord with the highest traditions of our American free enterprise system—and it will work.

Mr. COOLEY. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, to give some idea of the importance of the matter with which we are dealing, I want to call your attention to some facts and figures. We now have invested in corn \$3,069 million; in sorghums \$1,035 million; and together with other feed grains a total investment of \$4,255 million.

Another point I want to impress upon you in the outset of this debate is that our losses to date have been gigantic. The Government actually has sustained a loss of \$1,750 million on feed grains; and we are told that unless we take action now and put a program into operation before planting time that this program in the next year will cost in the neighborhood of \$1,500 million. It is believed that if the program is enacted and sufficient participation is attracted to the program, the Government stands to save in excess of \$500 million on the program during the current year. At the same time we will increase farm income.

You will note by glancing at the bill that we provide for payments in cash and for payments in kind. Under the provisions of the bill if the farmer reduces his acreage 20 percent he is paid in cash; if he reduces his acreage an additional 20 percent he is paid in kind. So it is clear to see that corn will be coming from the storage bins rather than from the cornfields, and there will be a net saving to the Government.

I shall not attempt to discuss the details of the program further than I have already discussed them.

I shall yield in a few moments to my colleague the gentleman from Texas [Mr. POAGE], the very able and distinguished chairman of the subcommittee

which handled this bill, and which reported it to the full committee. As soon as our committee was able to organize at the beginning of this Congress, the bill received first consideration. Hearings started on one Monday and the bill was favorably reported on the following Monday. The vote in the subcommittee was unanimous other than for one abstention, an abstention by one member for a very good, sound reason. Frankly, I felt like abstaining myself, because I do not approve of placing these programs on pounds, bushels, and bales. That is what is happening in this bill. But, as our report would indicate, that principle is not to be regarded as a precedent being established in the legislation now before us. It seemed to us, under the circumstances, the only feasible thing to do in an emergency bill effective only in 1961.

The bill came before the full committee and the vote there was 25 favorable to the reporting of the bill, and 8 opposed to certain sections of the bill.

Mr. Chairman, this bill the Committee on Agriculture presents to the House today was drawn in the interest of the total economy of the Nation to serve the well-being of farmers and city people alike.

This legislation will reduce the surplus of grain that overwhelms us. It will relieve by a substantial measure the burden upon taxpayers who maintain these great stores of grain. It will improve the income of hard-pressed farmers who now are caught in a crushing cost-price squeeze. By stimulating the sorely depressed rural buying power, it will create markets for industries in the cities. Mr. POAGE will explain to the House the details of the bill. With your forbearance, I shall take only a few moments to discuss the prevailing conditions in agriculture, as they relate to the general welfare of the Nation.

I address these remarks particularly to those Members who are inclined to vote against farm legislation, for whatever reason. Our urban citizens are served in this bill, as well as farmers.

Let me first remind the Members of this great body, and call to the attention of all Americans, to contributions our farmers are making to this Nation.

The Communist world may rival the United States in space explorations, and in some other areas—but those unhappy lands behind the Iron and Bamboo Curtains have not begun to match the miracles of productions by the family farms of America.

The growth of our country into the greatest industrial Nation on earth is tied directly to the efficiency of our farms. In Russia, agriculture requires the labor of approximately one-half of the total working population. In America one farm worker feeds himself and 24 other persons. Thus while half of Russia's total work force is engaged in agriculture and still cannot meet the Communist's needs for food and fiber, in America the efficiency of our farmers releases over 90 percent of our work force for other endeavors—in factories, in mines, in shops, in transportation, in all the other pursuits which—with the abundance of food and fiber from our

farms—makes the U.S. standard of living the envy the world over.

Yet, our farmers are the poorest rewarded of any major segment of our free enterprise economy.

In 1960 the per capita income of people living on farms was only \$986. The per capita income of the nonfarm population was \$2,282. The hourly income of people working on farms—operators and hired labor—last year was 81 cents, while the average pay of factory workers was \$2.29.

Net farm income in 1960 was down 19 percent compared with 1952. On the other hand the national income was up 43 percent. Corporate dividend payments were up 56 percent. On wages, the farm workers' pay declined by 7 percent between 1952 and 1960, while the factory workers' wage increased by 37 percent.

I ask you to listen carefully to these next figures, taken from Department of Agriculture books.

In 1960 American consumers bought 18 percent more farm-produced food than in 1952, yet our farmers received \$100 million less for that larger volume in 1960 than for the more limited output in 1952. But consumers paid food processors and marketing middlemen \$10 billion more in 1960 than in 1952 for hauling, processing, and handling the food between the farm gate and the retail counter.

While the farm gross income from food produced declined from \$20.1 billion in 1952 to \$20 billion in 1960, the costs added between the farm and the consumer increased from \$24.4 billion in 1952 to \$34.6 billion in 1960.

However, notwithstanding this great increase in the charges for hauling, processing and handling, after the food leaves the farm, the American consumers today get their food for a smaller percentage of their incomes than any other people in the world.

In 1929, before we had a farm program, the average pay for 1 hour's factory labor would buy 6.4 loaves of bread; now it buys 11.3 loaves. An hour's pay then would purchase 1.2 pounds of steak; now it buys 2.2 pounds; 7.8 pints of milk then, 17.6 now; 1 pound of pork chops then, 3.1 pounds now; 1.1 dozen of eggs then, 4 dozens now, and on down the list.

The average factory worker in the United States spends only 23 percent of his earnings to buy the average amount of domestically produced food consumed by a family of three. Twenty years ago the same food would have cost the same worker 41 percent of his wages, and 30 years earlier, 48 percent. The average pay for an hour's work today will buy approximately twice as much food as in 1929.

These facts and figures may be summed up in a few words:

First. Our farmers have made us the best fed people on the face of the earth. Their efficiency has underpinned the development of our great industrial system.

Second. They are the poorest rewarded workers in our free enterprise economy.

This situation transcends a consideration of simple justice for these people who feed us.

Our Nation's total well-being is involved.

History now is repeating itself.

Now we are in a new business slump. It does not approach the severity of the great depression, although many people are hurt.

Mr. Chairman, I submit that the recession of 1960-61, like the great depression of the 1930's, has its roots buried in the poverty of rural America.

Agriculture is the Nation's largest industry. The value of productive resources in agriculture amounts to more than \$200 billion, almost as much as is invested in the productive facilities of all manufacturing corporations. Farming employs more persons than the steel industry, automobile industry, transportation and public utilities, combined. Agriculture uses more steel annually than the total tonnage which goes into passenger automobiles. It uses more petroleum than any other industry. Yet the Nation has given only passing notice to the deterioration of the farm economy in the last 6 to 8 years. Those of us who have tried to sound a warning have been dubbed as "politicians wooing the farm vote." Some high-minded "economists" have passed the word down that the earnings of farmers were no longer of much importance in a greatly expanding industrial society.

I, for one, am convinced that there can be no security against depression, recession or slump, so long as our largest industry—agriculture—is depressed.

It is proving as true today as ever that depressions are farm led and farm fed.

I remind my city friends that some 7 million to 8 million persons have left the land in the last decade. They have crowded into your cities, most of them looking for jobs. Many now are among the Nation's unemployed, and many on relief rolls in the cities.

The general economy currently has lost the stimulation of the buoyant rural demand for goods produced in the factories in the cities. We are in a general business slump.

Many people are trying to find a way to get the economy really rolling again. Some already are discussing ways to immunize the economy against such recurring recessions. They all seem to agree that what industry needs is more customers who can afford to buy its products.

I say to all these well-meaning people that the great underdeveloped markets for industry in America today are on our farms and in our farm towns.

There would be a brighter general outlook for business today, there would not be the new uneasiness in the cities, if we had maintained opportunities for agriculture to advance with the remainder of the economy.

I would advise the business community of the Nation to encourage and to help develop, national policies enabling rural America to achieve again an equitable income position. This one step would bring into being a new multibillion dollar market for the factories in urban areas.

It would create hundreds of thousands of jobs. Taxpayers would save many millions of dollars which otherwise may be spent in welfare grants and relief to needy persons and to depressed areas. The Nation's business would be more stable. The free enterprise system, supported by the millions of family units of capitalism on the farms, would be materially strengthened.

America cannot longer risk the dangers firmly infixed in this current situation where almost one-half of our free economy's productive assets—as well as the millions of people on our farms—operate on the edge of insolvency.

Mr. Chairman, this bill before us today presents purely a voluntary program to deal with a major segment of the farm economy. Unless it is made attractive enough we cannot hope to have adequate participation to be of any consequence. It must not be attractive to a man to become a noncooperator. So that is the reason for section 3 which the gentleman from Texas [Mr. Poage] will be able to discuss and explain when he takes the floor.

Bear in mind also that we are in agriculture facing a very desperate situation. The Government's overall investment in agricultural commodities at this moment is in excess of \$9.5 billion. On commodities which we have had throughout the years, on commodities which we have been unable to sell for dollars or for foreign currency, which we have been unable to barter away for strategic materials needed in our own economy, commodities which we have not been able to give away, the storage costs are enormous. We must improve the situation or the entire feed grains program will collapse of its own weight.

May I say to you, Democrats and Republicans alike, the election is over. That is now history. We should not look upon agriculture through the eyes of partisan politics. Agriculture is not political, it is neither Republican nor Democrat. It is a national problem. You have your responsibility, I have my responsibility. And it is our responsibility to do something to improve the predicament in which we find ourselves.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. ARENDS. Before the gentleman leaves the floor I would appreciate it if he would explain or clarify his own position relative to section 3.

Mr. COOLEY. If you take section 3 out of the bill you will just about ruin the program. I know a lot of people are apprehensive and they are fearful that with section 3 in the bill the Secretary might break the corn market and adversely affect the grain trade. But that responsibility is his. If he has no right to lower the price, then the noncomplier will sit on the sidelines and enjoy the benefit of the program. He will plant corn to the fence rows, he will plant a lot of corn and he will profit because other farmers cooperated in this voluntary program by decreasing their acreage. You cannot make it attractive for a man to stay out of the program,

and the very fact that the Secretary has the power to lower the price of feed grains in the markets, would make it unattractive for a man to stay out of the program. I think that is the explanation.

Mr. ARENDS. I thank the gentleman for that explanation. Now, there is one thing more that bothers me about the bill. You would make it so attractive that he must get into the program, but what about the man on the basis of the 1959-60 normal yield who has been a good farmer, who has followed the rotation plan, who has not created the surplus and finds himself completely penalized by this bill? That is what bothers me. In other words, the man who has been planting corn to the fence rows has produced the surplus, and by the reduction of 20 percent he gets these benefits, whereas the good farmer is completely penalized as he was under the acreage allotment plan. I think it is unfair, unjust, and inequitable, and I hope something will be done about that. And, I will offer an amendment to cover a 5-year history instead of the 2 years.

Mr. COOLEY. I will not argue with the gentleman about that for one moment, but the fact remains that the statistical information was not available. I think it will be difficult for them to get accurate information for the past 5 years. If the Department of Agriculture could obtain the records for 5 years, it will be more equitable to do that. But, we were told it would be difficult to get that information. Bear in mind that this is just a 1 year sort of a crash program.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Wisconsin.

Mr. LAIRD. The chairman of the committee in his colloquy with the gentleman from Illinois stated that the 17 percent differential which is provided in this bill in section 3 would bring about compliance. Now, it seems to me that if this is to be an effective tool for compliance, there would have to be a much greater differential. The history in 1957-58 showed that the percentage differential, which was much greater than 17 percent at that time, did not bring about compliance.

Mr. COOLEY. Well, under section 3 of the bill, as I understand it, the Secretary could not lower the price of corn below \$1 a bushel. Now, certainly \$1 a bushel would not be attractive to any farmer.

Mr. LAIRD. He had \$1.06 and \$1.33, and we did not get compliance in that particular case.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. Under that corn program in those years anybody who did not comply was assured and guaranteed he was going to get the support price. Here he is not guaranteed the support price; he is not guaranteed to get anything unless he complies. Under the 1956 program the complier had nothing to rely upon; the noncomplier had nothing

ing to induce him to stay out of the program except the hope that he then knew that he was going to get the full support price. Now, he does not have it under this bill, and I think that is the vast difference. For that reason we think that the percentage will work here because now we have a situation in which the price at which the Secretary can maintain the market is at just about the present price.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield there, section 3 will prevent the Secretary lowering the price of corn below \$1.

Mr. LAIRD. No; he cannot lower it.

Mr. POAGE. He cannot lower it below \$1 a bushel.

Mr. LAIRD. The differential there is 17 percent as compared with the differential in 1957-58 of over 25 percent, and we did not get compliance in 1957 or in 1958.

Mr. COOLEY. The 17 percent was put in here because that calculation results from \$1 a bushel.

Mr. POAGE. There was no inducement in 1956 except that differential. Today this man who complies is going to get payment on the land that he retires, which is going to be right substantial and attractive; 60 percent of what he would normally be expected to grow on it.

He was not getting that in 1956. He simply had the differential. This payment per acre amounts to more than the differential in the support price itself. So the man is getting two bites at the cherry under this program where he did not get it under the other program.

Mr. COOLEY. I want to find out what it is that is troubling my friend from Wisconsin, and I yield to him at this time.

Mr. LAIRD. From the colloquy that the gentleman had with the gentleman from Illinois, the indication was that this bill would bring about compliance. It seems to be that in this bill the only factor that would bring about compliance is the payment, the cash payment made and also the reenactment of the acreage reserve.

Mr. COOLEY. That is right.

Mr. LAIRD. Because we are going back to the acreage reserve program.

Mr. COOLEY. That is the inducement to bring a man into the program.

Mr. LAIRD. But that is the compliance feature, the feature that is going to bring about compliance, not this 17 percent.

Mr. COOLEY. Yes; but the 17 percent is a deterrent. I think it would make the program less attractive to a noncomplier. The farmer will look at this and say, "I might have to sell my corn at \$1 a bushel," and you cannot profitably grow corn to sell at \$1 a bushel, therefore he would go into the program voluntarily. That is what I understand the section to mean.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. MAHON. As the chairman knows, we have a rather effective program for

the disposal of surplus cotton stocks by the use of an export subsidy.

It is rather late in the year, the new administration has been in office only a few weeks, and it is going to be difficult to work out the administrative aspects of this kind of a program.

Did the committee consider the advisability of providing an export subsidy on feed grains? We have had some export subsidy on feed grains in recent months. Has the committee gone into that, perhaps with the thought of increasing that subsidy, in order that these feed grains would be moved more rapidly into export, thereby providing more relief? And in that way it would give the committee more time to work out a long-range program rather than the temporary program here before us.

Mr. COOLEY. I might say to my friend from Texas that we have given the Secretary of Agriculture every possible authority he could want or need. Time and again I asked Mr. Benson before our committee, "Mr. Secretary, do you know of any authority that you want that you do not now have?" And his answer always has been "No." We have not received any general farm message from the White House, but the present Secretary has not asked for any authority with regard to surplus commodities that he does not now have. My friend knows that he can sell these commodities in the world market for dollars, for foreign currencies, he can exchange them for strategic materials, or he can give them away. That is all the export subsidy he needs.

Mr. MAHON. Has the committee explored the possibility of urging the Secretary to exploit this procedure?

Mr. COOLEY. We urged the former Secretary time and time again; we have tried even to write a mandatory disposal program, but there is just so far that we can go, and no further.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. I think I might say that as late as yesterday I talked with the Under Secretary about an export program. They have the authority right now to put a subsidy on the export of corn and other feed grains. It is not a question of giving them the authority. They have the authority now and are doing it, too.

Mr. MAHON. But if we could find some way to use the export subsidy on feed grains more extensively, would we not to some considerable extent help to solve this problem?

Mr. COOLEY. I would like to say to my friend as a Democrat that we asked for the authority to change the administration and we got it. The responsibility is ours. If we cannot move it, it is our responsibility. I do not say that it is the responsibility of the Democratic Party only, because I think these gentlemen on my left have their share of the responsibility. But I say this. I believe we can give food to hungry people and I believe we can sell our commodities in the world markets; but we have not done so.

Mr. MAHON. But we have a new Secretary. Why can we not move now?

Mr. COOLEY. Let us give the fellow a chance. He has not even got his desk straightened out down there.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. HARVEY of Indiana. I would like to say in response to the question of the gentleman from Texas that during the appearance of the Secretary I specifically questioned him in this respect.

If I might have the attention of the gentleman from Texas, I specifically questioned the Secretary in this respect. If the gentleman wants to, he can look up the transcript of the hearings. I asked him specifically if he was prepared to press this program and if there was any additional help that was needed in order to make an effective program. He assured us that he did intend to press in this area to help relieve the surplus of grain, and that as far as he knew he had the authority that was required.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. ARENDS. As I understand, under the present law the commodity in which the gentleman is interested and I say this kindly, cannot be disposed of unless at 90 percent plus 5 percent, under the 100 percent.

Mr. COOLEY. Yes, under Public Law 480 and such programs as section 32, they can subsidize the export of tobacco.

Mr. ARENDS. I mean, throwing it on the domestic market.

Mr. COOLEY. We have not used section 32 funds on tobacco, as far as I know, in recent years.

Mr. ARENDS. It can be sold on the open market at 90 percent of parity plus 5 percent?

Mr. COOLEY. No. They reduced the price of some of the tobacco that was undesirable, and the tobacco salesmen are trying to dispose of some of this undesirable tobacco.

Mr. ARENDS. I am talking about the domestic market, not the international market. Can the Secretary of Agriculture dispose of tobacco on the domestic market at less than parity?

Mr. COOLEY. The Government-held tobacco can be sold at reduced prices under diversion programs and such as that.

Mr. ARENDS. Then under title 3, why did you permit him to do what you wanted him to do by reducing it to 70 percent of the support price that you are going to give the farmer?

Mr. COOLEY. Does the gentleman realize how drastic our revisions have been? Our average allotment reductions went from 27 percent in 1 year to 20 percent, to 15, to 12, to 5 percent. We reduced our acres. We have gotten our house in order. The Government has not lost any money. For the first time in the life of the program we now stand to lose money on the program because we have been forced to lower prices on certain undesirable tobacco. If all programs had worked out as well

as the tobacco program we would not be having trouble. One time we had a profit in the Government cotton program—of \$268 million, on January 1, 1953—but that profit has all disappeared.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. WHITTEN. As the gentleman from North Carolina has pointed out, the Secretary of Agriculture presently has authority to sell at any price that it may take to move any commodity. In fact, he has authority to sell under Public Law 480 for foreign currencies, and so forth. I can realize that many folks in the United States who grow feed grain or corn perhaps like the present situation of producing lots more than we can get rid of, but if the Secretary were to be able to use all of this overproduction and were to sell it for this food-for-peace or Public Law 480 program, the entire 100 percent of the cost would be attributed to the Department of Agriculture, and we would be out that much. So when you talk about the provisions of this bill, under any approach that might be made that way we could not do it. We could not give it away to that extent, because there would be a 100-percent subsidy for those export units if you had to resort to Public Law 480.

Mr. COOLEY. It would all be charged up to the farm program.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. BECKWORTH. I have been in touch with the Secretary of Agriculture and asked him to give me some of the larger amounts of money which had been paid to individual farms or farmers. I find here that the first large amount in 1959 was \$1,136,000 for one farmer, the second, \$1,017,000; the third, \$923,991. In other words, these are just borrowings.

My question is this: Does the gentleman think if some effort were made to discourage these huge amounts of over \$1 million per individual farmer that economies could be gained thereby?

Mr. COOLEY. What was it paid for?

Mr. BECKWORTH. As a loan, on borrowing. As a loan and a rather large loan, it appears to me.

Mr. COOLEY. Does the gentleman understand—

Mr. BECKWORTH. Yes; the gentleman understood you to say we had lost over \$1,750 million just a minute ago, and some of it was on loans; was it not? Was any of that \$1,750 million on loans?

Mr. COOLEY. Would the gentleman let me answer him?

Mr. BECKWORTH. Yes.

Mr. COOLEY. You are about as unfair in your interpretation of the situation as the Senator—

Mr. BECKWORTH. I have heard the gentleman talking about people and he thinks that anybody who questions the gentleman is unfair. I realize that. I concede that the gentleman might think that, but I do not believe that. I disagree totally with the gentleman. —

Mr. COOLEY. Read your remarks. You said "payments" and then you turn around and use the word "loan."

Mr. BECKWORTH. The gentleman need not try to censure me. I have heard him do that for years.

Mr. COOLEY. I am not trying to censure you.

Mr. BECKWORTH. You cannot—you cannot, sir.

Mr. COOLEY. I am trying to correct you, if the gentleman will wait for just a moment. Do you want that word "payment" in the RECORD or do you want to take it out and admit you are wrong and use the word "loan"?

Mr. BECKWORTH. I concede that it is "loans."

Mr. COOLEY. All right.

Mr. BECKWORTH. How much did the Government lose on it—does the gentleman know?

Mr. COOLEY. No; but I can find out.

Mr. BECKWORTH. Well, then, find out—that is the question I asked, in view of the fact the gentleman was talking about the Government losing \$1,750 million.

Mr. COOLEY. I wish the gentleman would inform himself. I do not have the time to inform him.

Mr. BECKWORTH. The gentleman, I think, could direct the same type of request to himself.

Mr. COOLEY. You used the word "payment" leaving the impression that the Government paid somebody to do something.

Mr. BECKWORTH. The gentleman is engaging in the same type of meaningless tactic that I have seen him engage in a hundred times before.

Mr. COOLEY. And the gentleman is just as badly informed today as he has been since he has been here.

Mr. BECKWORTH. The gentleman is no worse informed than the gentleman who is talking in the well of the House.

Mr. COOLEY. Mr. Chairman, I decline to yield to the gentleman any further.

I wish my colleagues would listen at this point. I am glad the gentleman from Texas brought that up. I am going to talk about it just a little bit. A magazine article appeared, publishing all of these loans and speeches that were being made at the other end of the Capitol, talking about these million dollar loans and leaving the public to believe that it was some sort of payment for doing nothing, and that the man had his hands in the Treasury of the United States taking something out, and that there was something evil about it. I checked on the loans that had been talked about as payments, and they had lost no money on any of the loans that they were criticising. I can get the names of the loans referred to in this debate, and I will check the RECORD and all you have to do is put in a telephone call.

Mr. BECKWORTH. Here are some of the loans right here.

Mr. COOLEY. Give them to somebody for me.

Mr. BECKWORTH. I will do that—I surely will.

Mr. COOLEY. But you do a disservice to the farmers when you go out saying that the Government has paid a man a million dollars. Now what is it all about? You all, perhaps, know the largest wheat farmer in America, Mr. Campbell, out in Montana, I believe. He is the largest wheat farmer in this country. They tried to villify the man and had his picture all over the magazines with pictures of huge storage warehouses full of wheat. Up until that time, although Tom Campbell had borrowed millions of dollars, the Government had never lost a dime. He came to my office all humiliated because he had been held up to ridicule and scorn when he took advantage of the loan so that he could market his crop in an orderly way. Now what is wrong about that? Otherwise, he probably would have had to dump it on the market and demoralize the price, and then the Government would have sustained a loss. Then they picked on the Delta Pines Co. down in Mississippi and criticized that operation. The Government did not sustain any loss. The loans were paid back plus interest. Now I say that that should be understood. The losses I am talking about are losses which have been sustained in the operation of the program and losses which we cannot write off and which we must absorb. I shall try to get the accurate figures on the losses, if any, sustained by the Government or the loans mentioned by the gentleman from Texas [Mr. Beckworth], and present this information to the House tomorrow.

(Mr. COOLEY asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from North Carolina [Mr. COOLEY] has consumed 27 minutes.

Mr. ARENDS. Mr. Chairman, I make the point of order a quorum is not present. This is so important that I think the Members should be here to listen to the debates so that they will know what it is all about.

The CHAIRMAN. The Chair will count. [After counting.] One hundred six Members are present; a quorum.

The Chair recognizes the gentleman from Iowa [Mr. HOEVEN].

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, I yield myself 10 minutes.

The legislation before us is most controversial and this should not be surprising to Members of the House. I do not recall any major agricultural bill during my service in the House that has not been controversial. This is naturally so, because the problems of the agricultural economy are so complex that it is most difficult to get any meeting of the minds as far as solutions of the so-called farm problem are concerned. Regardless, I am sure that we want to do the very best we can for the agricultural economy of this country.

The bill before us was reported out of the Committee on Agriculture by a vote of 25 to 8. This vote was not indicative of the true feelings of many members of

the committee as to all aspects of the legislation. Most members of the committee felt they should permit the House to work its will on a bill which was presented to the committee and the country as an emergency feed grain proposal. Let me also say that this bill is in the nature of a compromise.

Let me also say that there has been no clamor for this particular legislation. I happen to represent one of the most thoroughly diversified agricultural districts in the United States.

In spite of this I have received very few communications from my district either for or against the legislation.

It is my purpose to make some general observations on the legislation; later in the debate the gentleman from Minnesota [Mr. QUIE], ranking minority member on the Subcommittee on Livestock and Feed Grains, will refer to the several provisions of the bill.

If we are to pass this so-called emergency feed grain bill time most certainly is of the essence. In a matter of 10 days or 2 weeks in the State of Iowa we will be seeding our oat crop. In some sections of the country they are already engaged in seeding oats. I cannot see how it is humanly possible to set up the necessary administrative procedure between now and the 15th day of March, which is the objective date of the Secretary of Agriculture to put this program into full force and effect. But that is his problem.

At its best this bill is only an experiment. The Secretary of Agriculture said so in appearing before our committee. There are no forgone conclusions as to the effect of the bill. On the other hand there are lots of doubts as to just how the whole thing will work out. Furthermore this bill is a good political gadget on the part of the administration. We all know about the sagging agricultural economy. So a promise to raise the farmer's income by 12 percent is very enticing. We all want to raise the farmers income; I am for it. If I had my way I would increase his income much more than that. I want the American farmer to take his rightful place in our economy, I want him to have his fair share of the national income. So I ask, who is there that does not want to raise the farmer's income 12 percent or more? Whether or not that can be done is problematical; I do not know just where the proponents get their figures or how they propose to bring this about.

Another attractive gadget, of course, is the promise that the bill will save the American taxpayers at least half a billion dollars in the operation of the farm program. Everyone has been complaining about the high cost of operating the farm program with particular reference to the high cost of storage. Who doesn't want to save a half billion dollars? Perhaps the figures on saving money can be substantiated. In any event the proposal sounds good.

We must all agree that the farmer is at the bottom of the economic totem pole; and we all want to do something about it. The American farmer today is caught in the so-called price-cost squeeze and he is not getting his fair

share of the consumer dollar. He is the only one in our economy who goes into the marketplace with his product and says: "Here is my produce, what will you give me for it?" He has nothing to say about fixing the price.

I want a good bill. I want a bill which will increase the farmers' income. I like a bill which will save the taxpayers a half-billion dollars or more. But all of this must be done in a practical and realistic way so that our free enterprise system may be preserved and the farmer can be helped without placing him in shackles. I do not think there should be much disagreement on that score.

It is true that this is a voluntary bill in that no farmer is compelled to go into the program. But, as has already been pointed out, the most serious defect in the bill is section 3, which is a voluntary-compulsory provision. The bill is voluntary up to a certain point, but section 3 becomes compulsory when it practically forces a noncompliance farmer to get into the program to protect his income and his way of life.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HOEVEN. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, some of the provisions of the bill are in conformity with legislation which I introduced in the last session of the Congress, together with 17 other Members of Congress which provided for the retirement of acres and "payment in kind." These provisions are in conformity with the Republican platform and they were also advocated by our Republican candidate for President during the campaign last year. We favored the soil bank, the conservation reserve program and "payment in kind."

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Wisconsin, chairman of the platform subcommittee on agriculture, who had a part in drawing up the farm plans of the Republican platform.

Mr. LAIRD. I thank the gentleman.

Reference was made to the Republican platform. I think the platform referred to a conservation reserve program. It was a long-term program rather than a return to the acreage reserve which we had for 2 years, and which did not work. This bill calls for an acreage reserve program, and is not a long-term land retirement program that we referred to in the platform. But we did go along with payment in kind. There is a very great difference between the acreage reserve type approach and the conservation reserve type approach. We were talking about the conservation reserve type, the long-term land retirement program, which this certainly is not.

Mr. HOEVEN. The gentleman no doubt, is correct, but I do not recall any provision in the platform which said anything about the average reserve program. We did refer to the conservation reserve.

Mr. LAIRD. This bill calls for an acreage reserve type program.

Mr. HOEVEN. I understand that. Again I reiterate the fact that the Republican position, as far as I know, has

been generally in favor of the retirement of acres as one of the means of getting rid of our surplus commodities and, most certainly, we were for the payment-in-kind provisions in the bill.

Mr. Chairman, it is rather interesting to note that this bill is far removed from the Democratic concept of assistance to the farmer as related to their party platform and the speeches of their candidate for the Presidency. The Democrats, you will recall, called for parity of income for the farmer. The bill before us is apparently all they now have to offer.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Texas.

Mr. MAHON. It is my impression that most of the farmers with whom I am acquainted would prefer to get their income from the price which they get for their production rather than in the form of a subsidy from soil bank payments or leave-out acres, or from acreage reserve.

Does the gentleman feel that this program could best be implemented by omitting the funds and payments for the leave-out acres and raising the support price to a sufficient extent to pay a man for what he produces rather than pay him in part for what he does not produce? I think that this would be more acceptable to the consumer and to the farmer as well.

Mr. HOEVEN. That is possible. The gentleman points out one of the areas of disagreement as to how the farm problem should be solved. Just now we are confronted with the provisions of this particular bill.

Now I want to relate my remarks to some of the controversial items in this bill, and I assume that amendments will be offered to remove some of these objectionable provisions. The first objection to the bill is found in section 1, which has to do with the support price on corn. The bill as now presented to us provides that the support price on corn shall be at not less than 65 percent of parity. I want to give you the history of that provision so that you may be fully advised.

The first draft of the bill as it came to us from the Secretary fixed and pegged the support price on corn at \$1.20, which did away entirely with the parity concept we have followed throughout these many years. I was one of those who objected to pegging the price at \$1.20 in dollars and cents. I thought it was setting a dangerous precedent for the Congress of the United States to peg and fix the support price on corn at a fixed figure. The figure of \$1.20 was any man's guess. Someone else might insist on \$1.25 or \$1.30 or \$1.50, and so on. If we once start pegging the price on corn at a dollar-and-cents figure, we might well wind up by pegging the price on pork chops and a lot of other things. I think the Subcommittee on Livestock and Feed Grains was in accord with my view, because they changed that provision and then had it read that the support price on corn would be from 65 to 90 percent of parity.

This formula did not prove satisfactory because the magic figure "90" in

the minds of a lot of people is like waving a red flag in front of a bull. Many would consider the 90-percent figure too high. We finally wound up with a compromise provision, as found in the bill before us, providing that the support price should be at not less than 65 percent of parity. The reaction was immediate and it was argued that the sky was now the limit. No doubt this would permit the Secretary to fix the price support at \$1.20, which is comparable to 74 percent of parity, or he could, if he chose, raise it to 90 percent or 110 percent or any other figure. So there will be an amendment to fix the support price at 74 percent of parity, which is \$1.20 a bushel, or perhaps between 65 and 75 percent of parity so as to protect the Secretary's promise and intention to fix the price support on corn at \$1.20 a bushel.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield for a question?

Mr. HOEVEN. I yield to the gentleman.

Mr. JONES of Missouri. Would not the gentleman be just as opposed to the figure 74 percent of parity as he would to the figure \$1.20 a bushel?

Mr. HOEVEN. Mr. Chairman, let me say in response to the gentleman that I am ready to give the Secretary of Agriculture his price support of 74 percent of parity which he says he wants. Time and time again, in our various discussions, he said he was going to fix the price of corn at \$1.20 a bushel, which is 74 percent of parity. The point I am making is that if the Secretary of Agriculture actually means what he says—and I think he does; I do not question his honesty or integrity—then we should place the parity formula in the bill, which would be comparable to \$1.20, which is 74 percent of parity. That is what the Secretary asked for.

Mr. JONES of Missouri. Did not the gentleman just get through telling us that he was opposed to pegging the price at some specific figure?

Mr. HOEVEN. I did, because it is not related to parity. That is what I said. Seventy-four percent of parity is \$1.20 a bushel.

Mr. JONES of Missouri. The gentleman would be satisfied if the bill would call for 74 percent of parity which is \$1.20 a bushel, but he would not want to see it \$1.20?

Mr. HOEVEN. I do not want the \$1.20 figure unrelated to parity, I do not want to get away from the parity concept. I will not go that far.

Mr. JONES of Missouri. I do not want to take any more of the gentleman's time, but do I understand that what he is trying to do now is to bring this bill into conformity with the wishes of the Secretary of Agriculture, because he wants to cooperate with him and make the bill as palatable and as easy of administration as possible?

Mr. HOEVEN. I will say to the gentleman from Missouri that over and over again the Secretary said that he was going to fix the support price on corn at \$1.20.

Mr. JONES of Missouri. And the gentleman wants to agree with the Secretary?

Mr. HOEVEN. I want to limit him to what he says he wants and nothing more as far as the support level in this bill is concerned.

Mr. JONES of Missouri. And the gentleman is going to go the rest of the way in the bill?

Mr. HOEVEN. I am not saying that. I am not in favor of section 3 of the bill, which I think is devastating and must not remain in the bill as far as I am concerned.

Mr. JONES of Missouri. One more question, if I may. It was stated that this bill was approved unanimously, with one abstention. At the time the subcommittee approved this bill, was the gentleman or was he not a member of the subcommittee, and did he not agree with the bill as reported from the subcommittee?

Mr. HOEVEN. I think that is beside the point. I am an ex officio member of all subcommittees and by virtue of that fact I did sit in on the sessions of the subcommittee. I tried to explain earlier that many of us voted to report out this bill in order to get legislation before the House. But certainly we always reserve the right to perfect legislation, so as to make it more palatable.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman.

Mr. McCORMACK. When the gentleman discusses section 3 and criticizes it, will he also state what effect the elimination of the section would have upon the consumers of the country?

Mr. HOEVEN. I assume that the representatives of the consumer groups will make their voices heard before we get through. The gentleman from Minnesota [Mr. QUAIL] is going to explain the bill in detail. There may be many questions which may be of great interest to the consumers of this country.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman.

Mr. DORN. I would like to say to my distinguished friend that we appreciate the long hours he and his colleagues have worked on this bill and on other agricultural problems throughout the years. But I am wondering if this feed grain bill will not work as various measures have worked on cotton. I heard our distinguished chairman a few minutes ago refer to tobacco. Acreage there was reduced 1 year, I believe he said, 27 percent; a few years later 26 percent, and then 15 percent. Over the years I have seen similar programs such as that which is being discussed today. I have seen tobacco acreage go down to an average today of about 2 acres. In Rhodesia it is 65 acres, in Canada 30 acres average per farm. And yet tobacco originated in the United States. I think corn did, too. It was here when we came here. The Indians grew it.

I am hoping that this bill will not be the beginning of the end of our great Corn Belt that I am proud of.

Mr. HOEVEN. Let me say to the gentleman that his people from the Cotton Belt and the people from the Tobacco Belt should stop, look and listen, because what they are trying to do to corn in section 3 of the bill could well happen to cotton and other commodities tomorrow. Section 3 sets a most dangerous precedent. It must be eliminated from the bill. This provision would make the Secretary of Agriculture a complete czar. He would take complete control of the corn and feed grain market. He could release corn in any amount, whenever he chose to do so. Regardless of anything else you do to this bill, I urge you to eliminate section 3.

The Senate in its wisdom has already rejected a similar provision. It is not in their bill. I think it is fair to assume that when and if this bill goes to conference with section 3 in it the section will be eliminated in that conference.

Let us face realities here and try to work out a bill which is going to do something to enhance the income of the American farmer and save the taxpayers' money without hurting the farmer and interfering with our free enterprise system.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I can appreciate that if this authority is given it should be exercised with great care. I think the record should show here that with regard to corn, as different from basic commodities, it is the only place that through the years they have had price supports without control. So when you compare corn with these other commodities, we should realize that the corn producers have been able to have price supports by noncompliance. In this bill, section 3, it appears to me that once again noncompliance on corn will contribute to a great oversupply of that. You have either to have strict controls as in the case of other commodities, or you have to have section 3.

Mr. COOLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I think we all recognize the very serious situation confronting this country as a result of the tremendous and unmanageable surpluses of feed grains which we have on hand. I should like to ask the members of the committee some questions in regard to the pending bill. Some of the questions have been propounded to me. They bear very importantly on this situation.

Heretofore, when we have had a control program on a crop, we have given the farmer an opportunity to vote in a referendum on whether or not he would have a control program. It is argued by some, and not without logic, that this bill is in effect a compulsory program, because in section three, the Secretary of Agriculture is authorized to cut the price of Government held feed grain below the 1961 support on feed grain by 17 percent, and that the bill actually provides a compulsory program without giv-

ing the farmer an opportunity to vote on the issue. I know that it can be said on the other side of this issue, that if you do not give the Secretary an opportunity to sell decidedly below the support price, the program will act as a kind of umbrella to support the man who does not enter into the program, thereby encouraging him to stay out of the program, and expand production. Some argue that without section three we would produce more feed grain in 1961 with this bill than without it. This is a very serious problem.

I would like to have the author of the bill advise whether or not it is quite fair to the farmer, under the circumstances, to provide for what is, in effect, a compulsory program without giving the farmer an opportunity to vote in a referendum as to whether or not he wants quotas and allotments, such as is the case, we will say, with cotton.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. POAGE. It seems to me very unfair to call this anything other than a voluntary program. I do not see how you can have a compulsory program as long as every farmer in the United States can do as he pleases about planting and as long as any man can plant what he pleases. I cannot see that you have any compulsion about it. There is no compulsion in this bill. Every feed grain farmer in the United States, after the passage of this bill, will still be able to plant every acre of his land in feed grain, if he wants to, and I think he will if he decides that it is to his economic advantage to do so.

Mr. MAHON. Under the authority granted to the Secretary of Agriculture in government sales to undercut the support price by 17 percent; do you not have more or less the equivalent of a compulsory program?

Mr. POAGE. I do not think you have anything equivalent to a mandatory program. I think in order to have a mandatory program, you have to have either quotas or allotments, and you must have some kind of penalties attached when a man violates those quotas or allotments, if you are going to have anything mandatory about it. There is no penalty on anyone who does not go into this program. If you choose to go into it, you are assured that you will get a support price substantially higher than is presently available to you. You are assured that if you retire a certain percentage of your acres—between 20 percent and 40 percent—you will receive a payment amounting to approximately 60 percent of what you would normally produce on those acres in return for the retirement of those acres. This is a pretty good deal for a man to go into. On the other hand, if you decide you want to stay out of it, there is no penalty and you can still plant anything you want. You can get anything in the world that the market will give you, and the market is presently giving you just about \$1. I have it right here.

Here is the report of the Department of Agriculture showing the price of corn

in the United States for the 15th day of February 1961. It is shown as \$1 per bushel. In other words, at exactly the average at which we anticipate the Secretary might keep it. In other words, right now if you are a noncomplier, you can get \$1 per bushel in the market and you can plant any amount of corn that you want to. Under this bill, if it is passed, you can still plant any amount of corn or grain sorghum that you want to, and still get, as far as the Government is concerned, the same \$1 a bushel in the market that you can get right today. We are not proposing to drive down the price on anybody. We are not asking them to drive down the price. We are simply asking that if a man refuses to cooperate and refuses to help to raise the price that he should not necessarily share in the increased price that his fellow farmers are going to bring about by their cooperation.

Mr. MAHON. If the gentleman will permit me to proceed, I would like to raise another point. We call this a temporary bill. As we know, there are not many things that are temporary in government. If we pass a bill that brings about widespread dissatisfaction, and if we pass a bill that will bring down upon the head of the farmer a lot of adverse criticism in the national magazines and in the press, and otherwise, then we have done the farmer a disservice because later this year or next year we have to pass a long-range program.

In my opinion, most of the farmers I represent, and I represent many of them, feel that a program involving a soil practice procedure, a program paying you for leaving land idle, is rather dangerous and opens the door to misunderstanding and abuse. It opens the door for bad public relations for the farmer. The farmers I represent, in my opinion, generally believe that they should get a fair market price for what they produce, but they do not expect to be paid for what they do not produce. Could not the committee have amended this bill or could it amend it now to provide a little higher support price than the bill now provides and eliminate the payments for retired acres? Would it not be fair to pay the farmer a little more for what he produces rather than to pay him a certain amount for what he leaves out of production? If this should be done, many administrative difficulties could be avoided and many criticisms eliminated. Mistakes will be made in connection with retired-land payments, and will that not be a vulnerable point when we come to the passage of the long-range bill at a later date?

Mr. POAGE. It happens to be my personal opinion that it would have been more desirable to have had higher support prices, and lower payments on the acreage. I expressed that belief in the committee. The committee decided otherwise. I think there are some sound reasons for that opinion. I did not share in those reasons, but I think the action taken by the committee is of such nature that we can support it. Obviously, if each of us picked our own support price and our own payments, we would have no unanimity.

There is this further matter involved, that the higher you take the support price and the lower you make payment for the retirement of land, the greater inducement there is to take advantage of the very thing you talk about in section 3, of getting not just the market price, because the man who seeks noncompliance cannot get any returns from the acreage payment. He gets nothing out of that. His only inducement to become a noncompliant comes through the difference between the market price and the support price. The higher you make that support price the greater the incentive to become a noncomplier. The bill will not work unless you get a large percent of compliance.

Mr. MAHON. I wonder if the logic of the gentleman is entirely valid, because you lay down a provision which we have never had in one of these bills before, that I know of; that is, a man's support price shall be based not upon what he actually produces, but upon his average or normal production.

The CHAIRMAN. The time of the gentleman from Texas [Mr. MAHON] has expired.

Mr. POAGE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MAHON. Therefore, there would not be great incentive for a man to increase his production if the support price was a little higher, enabling him to get all of his return from the production of the crop rather than from plowing under the acres. Let us get away from that if possible.

Mr. POAGE. The gentleman raises another question that I do not think is related to the question we have been discussing. What he is discussing now is what is called the Smith amendment. It is the first time I know of that a member of a committee of Congress trying to deal with one of the problems that is so often thrown up in a rather sneering manner to Members of Congress, that every time you reduce acreage you increase the production per acre and you get no results. So we have said in this bill the only payment you are going to get on the acres you cut in production will be in the amount that you normally produce. There will be no Government incentive to go out and fertilize or irrigate or spend money on insecticides or harvesting of this crop. But on the other side of the coin we want to fix it so a man will not be penalized, so we will not kill all progress, so we still give him just as much incentive as he has today to use modern methods, to use proper methods to improve his productivity per acre. We do not take away any of the existing incentives, because he still gets market price for his product even though he produces in excess of normal production; but we say that on those acres you are taking out in order to get a reduced production we are not going to pay you for the increased production, but we are not going to penalize you.

Mr. MAHON. If I may interrupt the gentleman, it seems to me we are setting a precedent here that will rise to plague us in the future, because the American farmer has always had the freedom to produce and use his ingenuity to in-

crease production per acre, and this has made a tremendous contribution to our long-range welfare, not only of agriculture but also of the consuming public. I do not want to put the farmer who seeks to improve production methods in a straitjacket.

Mr. POAGE. Would the gentleman feel that we should encourage production on the acres on which we are paying a bonus to reduce production?

Mr. MAHON. Yes; I think that it would be fair to permit increased production through better farming methods.

Mr. POAGE. The gentleman thinks we should. The gentleman, then, is in entire disagreement with the Democratic platform that said if you do not get results on acreage reduction we should return to a quantitative method.

Mr. MAHON. I am not thinking of whether I am in accord with either the Republican or Democratic platform; I am thinking of what is best for the farmer himself.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. ARENDS. The gentleman is getting exactly to a question that we have got to face. This is temporary legislation. The question is whether we are voluntarily going under controls or whether we must have permanent legislation. I think someone, the gentleman or someone else, should inform the House what the thinking is in that particular respect because, like the gentleman from Texas and others I fail to see how you can have effective controls unless you place sanctions in the bill of jail sentences or fines. We might just as well face it now.

Mr. MAHON. If my colleagues will permit me to proceed, I should like to mention another matter: We all realize that there are no easy answers to our farm problems. We also realize that the price of feed grain is inadequate and that the farmer urgently needs an opportunity to increase substantially his income.

Now I would like to raise one other issue: Feed grains in many areas are considered as a catch crop, not a cash crop necessarily. In other words, if a man by reason of flood, hail, or pestilence loses his crop upon which he had an allotment, say wheat, or cotton, then he falls back on feed grain in order to be able to produce something by way of return. Now, this bill provides that you can consider abnormal weather conditions in arriving at your history for 1959 and 1960. That is a good provision. Would the gentleman feel it appropriate that in cases where a man has an allotted crop, say of cotton or some other crop, wheat, and weather conditions are such that he loses his crop on which he had an allotment, and it is too late to replant, that he should have the privilege of planting, without penalty, feed grains as a substitute?

Mr. POAGE. The gentleman knows that I was born in that western country and know what he is talking about. I would like to be able to do this sort of thing for those people, but the element

of risk has always been one of the difficulties of farming. I do not see how you can take the risk out of farming in west Kansas or any other similar area, and I do not see how we can very appropriately under the economics of this bill make provision to allow a man to grow feed grains when we do not want feed grains beyond what are needed. I do not see the logic of allowing a man to grow grains that we do not want.

Mr. MAHON. I had hoped that perhaps the committee would look kindly upon some amendment to meet this situation. I would not like to offer the amendment and have it defeated. Perhaps some administrative solution to the problem could be provided.

I now yield to the gentlemen from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. I just want to say I hate to see this payment-in-cash provision. I think payment-in-kind is where we are getting at the difficulty of commodities in the warehouse.

Mr. MAHON. It would be better for agriculture to make payment-in-kind.

Mr. WHITTEN. I certainly hope, and I want to stress this point, that if this bill becomes law those who administer it will read the reports of the soil bank investigations. You have to watch every phase of it. The gentleman will remember that in the operation of the other bill we were called upon to pay out great sums of money.

Under the old program because we had no such notice we were called on to pay \$271 million, as I recall it, in additional funds.

Mr. MAHON. May I say to the gentleman from Texas I believe we have to do something about the feed grain problem. What we do is not going to be perfect. I would like to see this bill improved in such a way as to make sure that the farmer and the farm program would not be discredited over the long run, so that abuses will be reduced to a minimum, and so that the program, after it is investigated following the 1961 crop year, will appear reasonably good.

In view of the fact that planting time is almost upon us, some have suggested that it might be best to consider, as a temporary remedy, a reasonable increase in the support price, as a kind of stop-gap for 1961, plus a heavy utilization of an export subsidy program for feed grains, thus moving a lot of grain into consumption.

Obviously, this would not be adequate and it would not be an effective long-range answer, but it might possibly be considered as a means to prevent a big mistake in the passage and administration of legislation hastily drawn. If the Congress should decide upon such a course it would be necessary, of course, to move forward promptly with the passage of a more permanent bill to provide a more fundamental answer to the problem beginning with the 1962 crop year.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from South Carolina.

Mr. DORN. I think the gentleman is worried about something that all of us are worried about. Every time you re-

duce acreage in the United States the State Department seems to encourage production overseas in ways and means not in the best interest of the American farmer.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Maine [Mr. McINTIRE].

(Mr. McINTIRE asked and was given permission to revise and extend his remarks.)

Mr. McINTIRE. Mr. Chairman, we have been listening to considerable discussion about this bill. Most of the discussion has been centered on that area of agriculture which could be basically referred to as the cash grain area. This bill is not presumed to be directly applicable to those areas producing grain that is to be fed on the farm. This farmer presumably will raise what he wants for his own needs unless there is some mechanism by which you can market that grain, then buy back grain from the Commodity Credit Corporation cheaper. But section 3 as modified eliminates some of that opportunity because the Secretary's request to the committee was for unlimited authority to move into the free market or the open market and sell the CCC stocks in whatever quantity, presumably at market prices, and at any time of his choice. Section 3 in the bill has modified this somewhat, but in my opinion the balance of this section should be stricken from the bill.

I would like to speak for a moment on behalf of a segment of agriculture that is the recipient of the impact in this legislation of higher costs and less opportunity than other areas. I refer to the feed deficit areas of the country. These areas are principally in the Northeast, the Southeast, and on the Pacific coast.

I am sure that you can get a number of figures as to what this would cost the farm people in these areas. A conservative estimate in the Northeast is that this bill will cost the poultry and dairy people anywhere from \$3 to \$5 a ton more for their feed.

How are they going to handle that? While the grain producer is getting payments for acres out of production, while the grain producer is getting an increase in the level of price support, the poultry producer and the dairy producer in the feed deficit areas is faced with but one problem, and that is an increase in cost.

Now, this is admitted by the Secretary. It is admitted by his economist Dr. Cochrane. Their reply is that with the provision of section 3, feed grain prices would be kept low and thereby there would not be this impact. I think this is not sound economic thinking, because when you are pushing the level of price support up, the market will respond to this direction, and the Secretary could keep prices down only to the extent that he had the corn and the authority to sell it below price support levels.

What other choice does the farmer have in the feed deficit areas? Well, he has the choice of trying to pass this additional cost inherent in this bill on to the consumer. He can pass this cost along

only providing there is a shortage of his commodity. And, I ask you folks who are interested in dairy and poultry producers how much of a shortage there is in their commodity in the marketplace right now. So, likely he cannot pass this on to the consumer. The only alternative he has is to take it out of his income. So, this bill simply means to the poultry producer and the dairy producer in the feed deficit areas that they will get less income.

Now, there has been a great deal of concern expressed for the American farmers, but this bill means less income to these farmers in these areas. And, do not for a minute think this is not a squeeze on the family-sized farm that I have heard many people comment is their prime concern.

Now, there is another area in this bill which I think is worthy of some attention, and that is the fact that on page 5 there is a provision that the land which is to be taken out of feed grains, corn or grain sorghums can be put in other crops which, the language says, are not in surplus, which are not supported, and which are not produced principally for livestock feed. There is no definition in this bill as to what is a surplus crop. Some might say that it is a crop that is price supported. And, I know the intention here relates to safflower, castor beans, sesame seed, and things of that sort. But, the language of this bill permits these acres to be used for any crop which the Secretary may say is not price supported, not in surplus, and not produced for livestock feed. I think this is a provision that those of us who are in the nonfeed grain areas ought to look upon a bit seriously. To my knowledge, fruits and vegetables, particularly vegetables, are not declared to be in surplus. I realize this is only a potential, but I think that we have had a long history of some acres being shifted out of price supported crops into the production of crops that other farmers are interested in, and I think that it is unfortunate that here again we go on record saying that this type of thing should be done.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. MCINTIRE. I yield to the gentleman from Kansas.

Mr. AVERY. I would like to compliment the gentleman from Maine on the statement he is making here this afternoon before the Committee. And I would like to make a further observation. Those of us living in the Middle West are on the opposite of the economic question involved in this bill, as is the gentleman from Maine and other members of the committee who represent what we describe as a deficit feed area. But, notwithstanding that, I have found the gentleman from Maine to always be reasonable in his approach to all agricultural bills that come before the House, and certainly I consider him as one of the most knowledgeable Members of this body as far as agricultural legislation is concerned and certainly a very able spokesman for the deficit feed areas. Even though I find myself not in agreement with the position he takes on all agricultural legislation, certainly I respect what he says and value his counsel.

Mr. MCINTIRE. I thank the gentleman very kindly. This bill, of course, is attractive to those areas that are in the cash grain production. I can understand that very readily. I think those of us in the feed deficit areas had better look at this bill in the light of its impact on the agriculture of our area. My own observation is that it has but one direct impact and that is an increased cost to the producers of poultry, livestock and dairy products. How much, as I have said, is a bit problematical. But I do not think that this is a precedent, that this is a direction, and that these provisions should be looked upon very carefully if you are interested in the agriculture of your area; and that also the protection of the farmers in those areas means that eventually they have got to increase their cost to the consumer.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. MCINTIRE. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Mr. Chairman, I want to compliment the gentleman upon his objective approach to everything pertaining to agriculture. The gentleman told me that he would not vote to keep section 3 in the bill because he did not believe in that type of program; that he was going to vote on that particular phase of the bill, on principle. But he admits at the same time that the only protection that the feed deficit areas in the United States have is section 3; is that not correct?

Mr. MCINTIRE. That is right.

Mr. BELCHER. My understanding is then that the gentleman is not going to vote to keep that in the bill, even though it would be a protection for his area of the country, because he does not believe in that principle.

Mr. MCINTIRE. Mr. Chairman, I would like to comment on that point because I think that we have in section 3—and I appreciate that it has been modified rather materially—but for the first time in the 9 years that I have served on this committee a Secretary of Agriculture comes before this committee of the Congress and asks for the privilege of taking Commodity Credit stocks and controlling the market place at his discretion. This is a very substantial departure from every concept of protecting the marketplace. It is a grant of authority that would leave no such thing as a marketplace to operate in feed grains. The principle is bad for other commodities. This is a matter of principle that I cannot compromise, although, as the gentleman from Oklahoma says, this would momentarily favor the feed deficit areas.

Mr. HOEVEN. Mr. Chairman, I yield myself 2 minutes to propound a question to the chairman of the committee.

Mr. Chairman, soybean producers have expressed to me their concern over the possibility that soybeans might be planted by a farmer on his diverted corn and grain sorghum acreage under the authority of the proviso appearing on page 5, lines 12 to 17. I have told them that in my opinion soybeans cannot be planted under this proviso but I would like to have for the record also your understanding of this provision.

Mr. COOLEY. Mr. Chairman, I agree completely with the gentleman's interpretation. Soybeans could not be planted under this proviso which permits the farmer to plant such crops as may be designated by the Secretary on retired acreage in lieu of any payment for the retirement of such acreage. This is plainly spelled out in the bill, on page 5, lines 13 and 14, where it says:

Provided, however, That any producer may elect in lieu of such payment to devote such diverted acreage to any crop not in surplus—

That is No. 1—
not eligible for price supports—

That is No. 2—
and not produced principally for livestock feed as may be designated by the Secretary.

As the gentlemen will note, in order for a crop to be eligible for designation by the Secretary for such planting it must meet all three of these qualifications, as I have just stated. I think it might be possible for there to be a difference of opinion as to whether soybeans are produced principally for livestock feed, but there cannot be any difference of opinion over the established fact that soybeans are eligible for price supports. Therefore, they are ineligible for designation by the Secretary under this proviso because, as I have stated, in order to be eligible for such designation, the commodity must qualify on all three conditions stipulated by the proviso.

Mr. HOEVEN. I understand the gentleman to say they are ineligible for designation by the Secretary?

Mr. COOLEY. They are not eligible because they are capable of price support.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. SHORT].

Mr. SHORT. Mr. Chairman, as we consider this feed grain bill (H.R. 4510) that is before the House today, I believe there are some basic aspects of our farm economy and the effect of Government effort to improve the farmer's economic position that should be kept in mind.

I recognize that we are in a difficult position as Chairman COOLEY has indicated. I recognize that Congress should do something, but I do not believe this legislation will move in the proper direction. I believe we should be considering the basic approach of moving toward more freedom for the farmer rather than as this bill provides, for more Government regulation. I believe the very fact that we are here today considering this feed grain bill is somewhat conclusive proof that the efforts of Congress and Government have been something less than successful.

Mr. Chairman, for a great many years I have done my best to analyze objectively our numerous Federal farm programs in relation to the real benefit to the farmer that has accrued from these programs. Still having a very vivid recollection of depressed prices in the thirties, I am not one who has a closed mind to the possibility of the Government doing something to stabilize the farmer's income. As a farmer myself I am well aware of the fact that farmers are not enjoying the same degree of

prosperity enjoyed by many other segments of our economy.

When I analyze the results of the Government's attempts to help the farmers, however, I must say that the results in my opinion are not very impressive. When we consider the reasons why government ever got into the business of farm price support and production control legislation, we must recognize that the primary justification was to improve the economic position and economic opportunity for the smaller- and medium-sized farmer. The larger farmer, by and large, was pretty well able to take care of himself and usually was not the one asking the Government for assistance.

What has happened during the years these farm programs have been in operation? There are probably instances where the Government's efforts have met with some measure of success. However, I think there are many more instances where the programs have not achieved their objective of improving the farmer's income. Government has the power to establish prices at an attractive level. Government has not yet devised a means of making the consumer or user pay a price beyond that he was willing to, or could afford to pay. We have found by experience that price alone does not necessarily improve the farmer's income. We have also found that after 25 years, the small farmer is still the one experiencing economic difficulties. The larger farmer has been the one to enjoy the greatest benefit from the farm programs.

There are many people in agriculture today who seem to sincerely believe that there is no possible way for our agricultural economy to maintain a degree of prosperity on a level with other lines of endeavor without a supply management program administered by Government. This appears to be the belief of the present administration and the present Secretary of Agriculture. I am not one who agrees with this assumption. I think we have abundant evidence and conclusive proof that it is possible for agricultural commodities to maintain a desirable supply-and-demand situation and a relatively attractive price without any assistance from the Department of Agriculture. In the overall consideration of farm legislation, I believe we should not forget that it has been possible for such major farm commodities as poultry, fruits and vegetables, livestock, soybeans and potatoes, to name only some, to maintain a healthy price position without Government interference.

Right here, I must mention that I think it is exceedingly unfortunate that the present administration has seen fit to raise the price-support level for soybeans. The price of soybeans has consistently stayed above the effective price support, with the result that no unwieldy supply of soybeans fell into the hands of the Commodity Credit Corporation. The soybean story is a success story. Producers decided some years back that high supports, that is unrealistically high price supports, would cause nothing but trouble. They wanted this support only as a floor—something to prevent a complete price collapse. Incidentally, this

has been the theory behind the price-support program from the beginning. All agriculture would be better off if that policy had been followed more consistently.

In 1953, soybean supports were reduced from \$2.56 a bushel for the 1953 crop to \$2.22 for the 1954 crop. Again in 1958, supports were reduced from \$2.09 for the 1958 crop to \$1.85 for the 1959 and 1960 crop. This action was taken on the initiative of the soybean growers. There was a carryover of 63 million bushels on October 1, 1959; of which the Commodity Credit Corporation owned 43 million bushels. The CCC has sold its entire stock since the date mentioned and has done so at prices consistently above the support. Cash prices today are in excess of \$2.30 a bushel. With comparatively low support prices and a free market for beans, the market growth for the crop has been tremendous. During the 1953-54 crop year, total disappearance was 278 million bushels. In 1960-61, it was 572 million bushels; more than double what it was 6 years ago. The producers have relied on the market to guide them and to prevent tremendous and burdensome surpluses which have so plagued the wheat and feed grain producers. Soybeans are just one example of a commodity that can maintain a healthy price and supply position with limited interference on the part of the Government.

The livestock industry has provided the outstanding example of a major farm commodity that has been able to maintain a favorable price position with no Government price support or production control.

Presently, beef cattle are at 87 percent of parity, beef calves at 91 percent of parity and hogs at 82 percent of parity—in other words, higher than any other price-supported commodities.

The vast majority of livestock producers in the Nation have made it abundantly clear that they want no part of any program that would attempt to regulate the supply or the price of livestock. I might add here that some rumblings of concern are beginning now among livestock people who interpret some of the pronouncements of this administration to mean that the eventual intent is to impose a program of supply management upon all of agriculture. An important consideration to keep in mind here is that commodity groups who have stayed free of Government programs have initiated their own efforts to expand markets and stabilize production. I think in the end this is the only way that real stability for agriculture can be achieved and right here again we must recognize that the tragedy of the efforts of Government to help the farmer is that it tends to keep the farmer from helping himself.

Currently, things are about bad enough in agriculture for farmers to become interested in getting together to work out some solutions of their problems on their own. They will have to do this sooner or later if our American system of free enterprise is to prevail. Further interference in farmers' affairs by Uncle Sam merely postpones the inevitable.

I do not believe the feed grain bill we have under consideration moves in the right direction. It provides for more controls instead of less—more authority for the Secretary of Agriculture instead of less, and provides less opportunity for the farmer to make longtime plans.

After a great deal of thought on my own part and an effort to determine the effect of this bill on the farmers and ranchers of my State, through contact by phone and letter I must oppose the passage of H.R. 4510.

I believe it moves in the wrong direction; namely, more control and direction over the operations of the individual farmer rather than providing him a greater opportunity to exercise his own initiative.

The bill would provide authority to the Secretary of Agriculture to absolutely control the price and marketing of all feed grains. This is a power never before asked for or given to any Secretary of Agriculture.

This bill would indirectly enable the Secretary of Agriculture to control the price and supply of livestock and livestock products.

I do not want to go into technical details of this bill but I believe it is physically impossible to fairly establish a feed grain base on every farm in the Nation that would be affected. I am advised that county records do not contain history of feed grain production on each farm.

I believe that in the best long-time interest of farmers and the basic welfare of this Nation H.R. 4510 should not be enacted into law.

(Mr. HAGEN of California asked and was given permission to extend his remarks at this point in the Record.)

Mr. HAGEN of California. Mr. Chairman, as a member of the Agriculture Committee, I submitted a minority report to the approval of H.R. 4510 on the basis that, as proposed by the Secretary of Agriculture it was a bill dealing with a single commodity, to-wit, feed grains, but through committee action it was converted to a bill dealing only with specified feed grains in a fashion which was self-defeating.

I was particularly concerned with the elimination of barley as a crop to be included in the program. Amendments will be offered to correct this omission, and I urge support of them in the interest of both equity and a desire to make the surplus reduction program workable.

The other provisions of the bill are defensible as a 1-year program to reduce the Government supplies of feed grains presently on hand and to reduce the influx of added supplies which would be obtained in the event of inaction. In other words this may not be ideal feed grain legislation from the viewpoint of the long-range interests of the growers and users of feed grains, but it is better than the present statutory alternative. It will reward the producer for reducing production but this in an infinitely better course than piling up surpluses and thereby rewarding the commercial storers of feed grains with only a minor benefit to the farmer.

Mr. SCHADEBERG. Mr. Chairman, I am concerned about the farm situa-

tion. I know that farmers are going through a cost price squeeze that is more severe than in any other segment of our economy.

I am also concerned about some of the remedies that are being proposed. I think we should always keep clearly in mind the composition of the formula that remedies this net farm income. In Wisconsin, and particularly in my area, it is very important that the farmers be allowed to use their resources to the fullest extent possible. Volume plus price minus cost equal net farm income. Some of the proposals that are now before Congress would reduce volume and stabilize price and cost. To me, this is the way to plow under most of the family-sized farmers.

Many of those who have indicated a "bleeding heart" for the farmer are at the same time advocating programs that will increase farmers' costs. They propose to increase the minimum wage; continue to spend more in the Federal budget than we take in, and, in general promote those programs that will increase farm costs.

The year 1947 was the best as far as net income was concerned that farmers have experienced. In that year the gross income to farmers was about \$35 billion. The net was \$17 billion. In 1960, the plain facts indicate that the gross was the same as it was in 1947 but the net was only \$11.6 billion. Thus, we can plainly see that cost is the main feature in decreasing net farm income.

There is now pending before the Congress a so-called emergency feed grain program for 1961. I am greatly disturbed over the implications of this proposal. I recognize full well that we have more wheat and feed grain in storage than we should have. I recognize that these tremendous surpluses are having depressing effects on net farm income. However, as I see it we will greatly upset the dairy, livestock and poultry industries if we enact the ill-conceived proposal for 1961.

If this bill is enacted, it will have an extremely adverse effect on livestock, poultry, and dairy farmers in all regions of the Nation. Farmers would face the prospect of uncertain feed grain supplies, a sizable part of which would be composed of grain released on the market as the CCC might decide. Market prices would be adversely affected by such a release. Livestock, poultry, and dairy farmers would be unable to plan their operation in advance because of the uncertainties of market prices and supplies.

I hope the Members of the House will take very seriously the broad implications of this proposal and that it will see fit to set it aside and bring in a realistic measure which will be voluntary and effective and which will keep the interference of the Federal Government in the farmer's affairs to a bare minimum.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. BREEDING].

(Mr. BREEDING asked and was given permission to revise and extend his remarks.)

Mr. BREEDING. Mr. Chairman, I believe it is urgent for the Congress to pass 1-year emergency legislation for feed grains. No one can deny that the surplus of feed grains has reached the point where immediate action is clearly indicated.

The bill now before the House, H.R. 4510, represents a conscientious effort on the part of the House Agriculture Committee and the Secretary of Agriculture to deal with a difficult problem. No one contends the bill is perfect and no doubt some Members will voice objections to particular sections and raise questions about others. But I would remind the Members of the House that we must reach a decision on this legislation soon. Time is running out insofar as the 1961 feed grain crop is concerned.

The purposes of the bill and what the various sections will do have already been explained by the chairman of our committee, the gentleman from North Carolina [Mr. COOLEY], and by other committee members. I will not try to cover the same ground as they have.

The principal point I wish to make, Mr. Chairman, is that the bill before us offers an opportunity to take positive action to help meet a critical problem. The Secretary of Agriculture has demonstrated in every way possible that he wants to cooperate with the Congress in writing new farm legislation. This is a commendable attitude on the part of the Secretary and one, I might add, which contrasts sharply with that of his predecessor.

The bill before the House today contains one basic principle which I have insisted must guide all farm legislation and that is income protection for farmers. Secretary Freeman recognizes that in writing new farm legislation we must keep this in mind—that farmers cannot be called upon to restrict production further unless they receive compensation for taking more land out of production.

H.R. 4510 implements this philosophy. The legislation will increase income of feed grain producers by about 10 percent. At the same time by cutting production by about 1 million bushels it will reduce the overall cost to the Federal Government of the feed grain program by about one-half billion dollars.

Mr. Chairman, I urge the committee to approve the bill. We definitely need new feed grain legislation. This bill is intended to reduce production and at the same time protect the income of producers. It seems to me that is the only approach which we can possibly follow.

Mr. COOLEY. I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. IKARD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4510) to provide a special program for feed grains for 1961, had come to no resolution thereon.

APPOINTMENTS TO VARIOUS COMMITTEES, BOARDS AND COMMISSIONS

BOARD OF DIRECTORS, GALLAUDET COLLEGE

The SPEAKER. Pursuant to the provisions of section 5, Public Law 420, 83d Congress, the Chair appoints as members of the board of directors of Gallaudet College the following members on the part of the House: Mr. THORNBERRY, Texas; and Mrs. DWYER, New Jersey.

BOARD OF VISITORS TO THE U.S. MILITARY ACADEMY

The SPEAKER. Pursuant to the provisions of 10 United States Code 4355(a), the Chair appoints as members of the Board of Visitors to the U.S. Military Academy the following members on the part of the House: Mr. TEAGUE, Texas; Mr. RABAUT, Michigan; Mr. RIEHLMAN, New Jersey; and Mr. JONAS, North Carolina.

COMMITTEE TO INVESTIGATE NON-ESSENTIAL FEDERAL EXPENDITURES

The SPEAKER. Pursuant to the provisions of section 601, title VI, Public Law 250, 77th Congress, the Chair appoints as members of the committee to investigate nonessential Federal expenditures the following members of the Committee on Ways and Means: Mr. MILLS, Arkansas; Mr. KING, California; and Mr. MASON, Illinois.

And the following members of the Committee on Appropriations: Mr. CANNON, Missouri; Mr. MAHON, Texas; and Mr. TABER, New York.

U.S. CONSTITUTION 175TH ANNIVERSARY COMMISSION

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86-650, the Chair appoints as members of the U.S. Constitution 175th Anniversary Commission the following Members on the part of the House: Mr. BYRNE of Pennsylvania; Mr. DELANEY of New York; and Mr. TABER of New York.

NATIONAL MEMORIAL STADIUM COMMISSION

The SPEAKER. Pursuant to the provisions of section 1, Public Law 523, 78th Congress, the Chair appoints as members of the National Memorial Stadium Commission the following Members on the part of the House: Mr. TEAGUE of Texas; Mr. LANKFORD of Maryland; and Mr. KEARNS of Pennsylvania.

NATIONAL HISTORICAL PUBLICATIONS COMMISSION

The SPEAKER. Pursuant to the provisions of section 6, Public Law 754, 81st Congress, the Chair appoints as a member of the National Historical Publications Commission the gentleman from California, Mr. GEORGE P. MILLER.

MIGRATORY BIRD CONSERVATION COMMISSION

The SPEAKER. Pursuant to the provisions of 16 United States Code 715a, the Chair appoints as members of the Migratory Bird Conservation Commission the following Members on the part of the House: Mr. KARSTEN, of Missouri; and Mr. GAVIN, of Pennsylvania.

FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

The SPEAKER. Pursuant to the provisions of section 1, Public Law 372, 84th Congress, the Chair appoints as members of the Franklin Delano Roosevelt Memorial Commission the following Members on the part of the House: Mr. McCORMACK, of Massachusetts; Mr. KEOGH, of New York; Mrs. ST. GEORGE, of New York; and Mr. SCHENCK, of Ohio.

U.S. MERCHANT MARINE ACADEMY

The SPEAKER. Pursuant to the provisions of 46 United States Code 1126c, the Chair appoints as members of the Board of Visitors to the U.S. Merchant Marine Academy the following Members on the part of the House: Mr. HOLTZMAN, of New York; and Mr. MCINTIRE, of Maine.

SMITHSONIAN INSTITUTION

The SPEAKER. Pursuant to the provisions of 20 United States Code 42, 43, the Chair appoints as members of the Board of Regents of the Smithsonian Institution the following Members on the part of the House: Mr. CANNON, Missouri; Mr. BROOKS, Louisiana; and Mr. BOW, Ohio.

U.S. AIR FORCE ACADEMY

The SPEAKER. Pursuant to the provisions of 10 United States Code 9355(a), the Chair appoints as members of the Board of Visitors to the U.S. Air Force Academy the following members on the part of the House: Mr. ROGERS, Colorado; Mr. MAGNUSON, Washington; Mr. CHENOWETH, Colorado; and Mr. OSTERTAG, New York.

U.S. NAVAL ACADEMY

Mr. SPEAKER. Pursuant to the provisions of 10 United States Code 6968(a), the Chair appoints as members of the Board of Visitors to the U.S. Naval Academy the following members on the part of the House: Mr. BAILEY, West Virginia; Mr. FLOOD, Pennsylvania; Mr. BETTS, Ohio; and Mr. LAIRD, Wisconsin.

THE NATIONAL CULTURAL CENTER

The SPEAKER. Pursuant to the provisions of section 2(a), Public Law 85-874, the Chair appoints as members ex officio of the Board of Trustees of the National Cultural Center the following members on the part of the House: Mr. WRIGHT, Texas; Mr. THOMPSON, New Jersey; and Mr. KEARNS, Pennsylvania.

NAVAJO-HOPI INDIAN ADMINISTRATION

The SPEAKER. Pursuant to the provisions of section 10(a), Public Law 474, 81st Congress, the Chair appoints as members of the Joint Committee on Navajo-Hopi Indian Administration the following members on the part of the House: Mr. HALEY, Florida; Mr. MORRIS, New Mexico; and Mr. BERRY, South Dakota.

U.S. COAST GUARD ACADEMY

The SPEAKER. Pursuant to the provisions of 14 United States Code 194(a), the Chair appoints as members of the Board of Visitors to the U.S. Coast Guard Academy the following members on the part of the House: Mr. DADDARIO, Connecticut; and Mr. CHAMBERLAIN, Michigan.

JOINT CONGRESSIONAL COMMITTEE ON CONSTRUCTION OF HISTORY AND TECHNOLOGY BUILDING FOR SMITHSONIAN INSTITUTION

The SPEAKER. Pursuant to the provisions of section 4, Public Law 106, 84th Congress, the Chair appoints as members of the Joint Congressional Committee on construction of a building for a museum of history and technology for the Smithsonian Institution the following Members on the part of the House: Mr. CANNON, Missouri; Mr. BROOKS, Louisiana; Mr. JONES, Alabama; Mr. CURTIS, Massachusetts; and Mr. BOW, Ohio.

AMENDING THE TARIFF ACT OF 1930

(Mr. BAKER (at the request of Mr. DEVINE) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BAKER. Mr. Speaker, I have today introduced a bill to amend section 304 of the Tariff Act of 1930 to require that all textiles imported into the United States be marked with the name of the country of its origin.

I do not claim that this bill will solve the problems of the textile industry, but, in my judgment, it will be of material assistance in that respect.

The American textile industry is literally hanging on the ropes. Unless immediate relief is provided, the domestic industry will be destroyed by foreign textile imports.

The real solution of the problem is the establishment of import quotas by country and by category; and that must be done in 1961.

The domestic textile industry is one of the three most important industries in our American economy. Manufacturing units are located in 43 States, and employ in excess of 900,000 people. The closely related apparel manufacturing industry employs an additional 1.2 million workers. The industry consumes approximately two-thirds of the annual U.S. cotton crop and practically all of the wool produced.

A sound, healthy domestic textile industry is of vital importance to the security of our Nation and to its economic well-being. It is now operating at 71.5 percent of capacity.

In 1958 U.S. imports of cotton cloth were approximately 142 million square yards. These imports increased to 242 million square yards in 1959, and jumped to a new record high of 455 million square yards in 1960. If this trend is not checked, the entire market for domestic cloth will be supplied by foreign production.

An even sharper rate of increase is seen in cotton yarn imports, which shot up from 1.4 million pounds in 1959 to 15.1 million pounds in 1960.

Woven wool cloth imports moved up from about 34 million square yards in 1958 to 47 million yards in 1959, and to 62 million square yards in 1960.

Let us take a quick look at the change in the balance of trade in recent years. In 1947 the United States moved \$1.4 billion worth of textile manufactures into world markets and absorbed \$366 million worth of foreign-made textile manufactures. Ten years later—1957—these textile exports had dropped to \$667 million, but imports had increased to \$635 million. Last year—1960—imports had risen to \$932 million, while textile exports were \$694 million—a net import balance of \$138 million worth of textile products.

The impact of these trends on the U.S. textile industry with its billions of dollars invested in machinery and equipment is clear to see. Uncertainty about spending for new plants and equipment in the United States and increased search overseas for possible investment in textile plants in countries where foreign government favor the development of industry is the logical outcome.

At the same time, the U.S. Government continues to pursue a two-price cotton program under which domestic mills must buy U.S. raw cotton and pay 25 percent more than the special export prices provided to foreign mills. And the wage rates paid by these same foreign manufacturers range from one-half to as low as one-tenth the average wages paid by U.S. industry.

Upon the basis of these facts, the American industry will either have to go out of business or move their manufacturing facilities out of the United States.

My bill would simply permit the American public to have firsthand knowledge of the facts and to decide for itself, at least to some extent, whether this condition shall continue to exist.

PORTION OF INCOME TAX COLLECTED IN STATES TO REMAIN IN THAT STATE FOR EDUCATIONAL PURPOSES

(Mr. GOODELL (at the request of Mr. DEVINE) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GOODELL. Mr. Speaker, last week in this Chamber I introduced a

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of March 8, 1961
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HIGHLIGHTS: House debated feed grains bill. Senate debated feed grains bill. Senate committee reported depressed areas bill. Senate received nominations of Murphy to be Under Secretary and Bertsch to be Farmers Home Administrator.

HOUSE

1. FEED GRAINS. Continued debate on H. R. 4510, to provide a special program for feed grains for 1961 (pp. 3259-81). By a vote of 165 to 103, rejected an amendment by Rep. Harvey which would have provided that the Secretary could not establish the price support for the 1961 crop of corn at more than 75 percent of parity (pp. 3277-80).
2. SUGAR. The "Daily Digest" states that the Agriculture Committee "met in executive session to hear Dean Rusk, Secretary of State, regarding extension of the Sugar Act. The committee will meet again Thursday, March 9, in executive session, with Dean Rusk." p. D137
3. FARM PROGRAM. Rep. Beckworth inserted several letters discussing various aspects of the farm situation, including his letters to former Sen. Kennedy and Vice President Nixon and their replies regarding price supports for cotton, a letter from former Assistant Secretary of Agriculture McLain regarding price supports for wheat, and a letter from Orlin J. Scoville of this Department enclosing tables of the names and addresses of the 10 feed grain producers receiving the largest CCC loans on feed grains in 1958 and 1959. pp. 3281-5

4. TEXTILE IMPORTS. Reps. Hemphill and Whitener discussed the effects of increasing imports of textiles on the domestic textile industry, and Rep. Hemphill inserted several items on the matter. pp. 3311-7

SENATE

5. FEED GRAINS. Began debate on S. 993, to provide a special program for feed grains for 1961. pp. 3234-5, 3240-2, 3246-57
Sens. Capehart, Aiken, and Cooper submitted amendments intended to be proposed to this bill during debate. p. 3213
6. DEPRESSED AREAS. The Banking and Currency Committee reported with amendments S. 1, the depressed areas bill (S. Rept. 61). p. 3210
Sens. Bush and Capehart submitted amendments intended to be proposed to this bill during debate. p. 3213
7. NOMINATIONS. Received the nominations of Charles S. Murphy to be Under Secretary of Agriculture and Howard Bertsch to be Administrator of the Farmers Home Administration. p. 3258
8. FARM LABOR. The Rules and Administration Committee reported with amendment S. Res. 86, to authorize the Labor and Public Welfare Committee to investigate matters pertaining to migratory labor (S. Rept. 66). p. 3210
9. PLANT QUARANTINE. Sen. Keating inserted a N. Y. State Nurserymen's Assoc. resolution opposing "the intent of the Plant Quarantine Branch of the Agricultural Research Service, U. S. Department of Agriculture, to extend its present Japanese beetle quarantine to include those geographical areas in the State of New York presently not under said quarantine regulations." pp. 3209-10
10. NATURAL RESOURCES. Sen. Symington commended the President's recent message on natural resource development and inserted "figures showing just some of the dividends which have resulted from investments in water-resource projects" in Missouri. p. 3240
11. WATER RESOURCES. The Rules and Administration Committee reported without amendment S. Res. 94, to authorize the printing of additional copies, for use by the Interior and Insular Affairs Committee, of the report of the Select Committee on National Water Resources, S. Rept. 29, 87th Congress. p. 3210
12. LEGISLATIVE PROGRAM. Sen. Mansfield announced that the feed grains bill may be laid aside temporarily today (Thurs.) and the depressed areas bill taken up, depending on the progress made in the House on the feed grains bill. pp. 3257-8

ITEMS IN APPENDIX

13. FEDERAL SUPPLY. Extension of remarks of Sen. Wiley inserting an address by Rep. Curtis, Mo., on various aspects of ^{the} federal supply program. pp. A1602-3
14. FARM LABOR. Extension of remarks of Rep. Zelenko discussing his proposed bills "designed to eliminate the disgraceful nationwide abuses against thousands of migratory laborers." pp. A1604-5
15. LANDS. Extension of remarks of Rep. Aspinall inserting an article and stating that it outlines the views of the Wisconsin Farmers Union on a "wide variety

House of Representatives

WEDNESDAY, MARCH 8, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

I Thessalonians 5: 21: *Prove all things; hold fast to that which is good.*

O Thou who art the source of all truth and wisdom, of all hope and peace, grant unto us the listening ear and understanding heart as each day Thou dost seek to reveal Thy will and Thy way unto us.

May our faith and our works be fruitful in the service of humanity as it struggles to gain a favor and fuller life.

Fortify us against those moods of doubt and discouragement when the forces of evil seem to impede the progress of our most earnest efforts to establish the kingdom of peace and good will.

Show us how we may help to break down all the walls and barriers of suspicion and selfishness among the nations and let justice roll down as waters and righteousness as a mighty stream.

Thine be the praise and glory forever. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which concurrence of the House is requested:

S. 1173. An act to authorize the appointment of Dwight David Eisenhower to the active list of the Regular Army, and for other purposes.

CORRECTION OF ROLL CALL

Mr. FRIEDEL. Mr. Speaker, yesterday on rollcall No. 9 I am recorded as not having voted. I was present and voted "aye," and I ask unanimous consent that the RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. NIX. Mr. Speaker, on rollcall No. 9 of yesterday I am recorded as being absent. I was present and voted "aye," and I ask unanimous consent that the RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FINO. Mr. Speaker, on rollcall No. 9 of yesterday I am recorded as not voting. I was present and voted "aye,"

and I ask unanimous consent that the RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT TO RENEGOTIATION ACT OF 1951

Mr. MILLS. Mr. Speaker, I offer a House joint resolution and ask for its immediate consideration.

The Clerk read as follows:

H.J. RES. 289

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(b) (2) of Public Law 86-89, July 13, 1959, extending the Renegotiation Act of 1951, is amended by striking out "March 31, 1961", relating to the time for filing a report on Renegotiation by the Joint Committee on Internal Revenue Taxation, and inserting in lieu thereof "June 30, 1961".

The SPEAKER. The question is on the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUBCOMMITTEE ON HIGHWAYS

Mr. GRAY. Mr. Speaker, I ask unanimous consent that the special subcommittee on the national highway program be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 10]

Ashmore	Green, Oreg.	Rabaut
Bailey	Harsha	Reece
Blitch	Hoffman, Mich.	St. Germain
Cahill	Jensen	Scherer
Celler	Kearns	Spence
Davis, Tenn.	Landrum	Watts
Dawson	Lindsay	Wels
Diggs	Macdonald	Willis
Dooley	Miller, N.Y.	Wright
Evins	Pfost	
Fallon	Powell	

The SPEAKER. On this rollcall 399 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

COMMITTEE SESSION DURING GENERAL DEBATE

Mr. HOLLAND. Mr. Speaker, I ask unanimous consent that the Subcommittee on Unemployment may sit during general debate in the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

FEED PROGRAM FOR 1961

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4510) to provide a special program for feed grains for 1961.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 4510, with Mr. IKARD of Texas in the chair.

The Clerk read the title of the bill.

Mr. COOLEY. Mr. Chairman, before resuming debate on the pending bill I would like to take this opportunity to announce to the Members that this is National Peanut Week. In the House Ways and Means Committee Room in the New House Office Building, a delicious peanut luncheon is being served. All Members of the House are urged to experience the tasty delights of that wonderful nut—the peanut—at this luncheon being given by the organizations associated with the National Peanut Council.

We present for you a menu out of the South where we make an art of fine food. It is a menu that exalts your sense of taste. Here it is: Peanut soup; peanut-fed ham; sweet potatoes with peanut sauce; green salad with peanut oil dressing; peanut-buttermilk hot biscuits; peanut cake; coffee.

I invite all of you to attend this luncheon and join in a salute to the peanut.

I remind the House, as I have upon previous occasions, that the peanut is more closely associated with fun and pure enjoyment than any other crop.

It is as American as baseball.

I ask you: "What would a circus be without a peanut vendor? Who would

care to go to the zoo if he could not get a bag of peanuts?"

The peanut—or goober or ground pea, as we often call it down South—is a symbol of America at play—with children and grownups alike. It tempts the palate. It gives us energy. It is a solid food on our table. It is a constant companion of good appetites and good humor.

It is the most versatile of all crops.

Its flavor is beyond challenge in the crunchy whole nut, or in spreads and confections. Throughout many areas of the world it is the most common substitute for meat, answering also the need for oil in the diet. The oil also is used widely in chemistry and in commercial enterprises. Not only is the peanut a direct human food, but fed to hogs it makes the tastiest hams; and when the hay of the vine is eaten by cows, we get the sweetest milk.

The peanut has many other aptitudes. It is the basis for many cosmetics, shaving creams and hair lotions. I am told that the energy value of 1 pound of peanuts equals 4 pounds of beefsteak or 21 pounds of cheese or 10 quarts of milk, or 33 eggs.

During World War II in response to the vast need in this country for vegetable oil almost 5 million acres were devoted to peanut production. Much of the problems of the peanut industry today stem from the necessity for reducing this wartime level of production to that required to meet peacetime domestic demand.

Peanut production is an important source of cash income to almost 200,000 farmers. It is particularly important in areas of Virginia, North Carolina, Georgia, Alabama, Texas, and Oklahoma where soil and climatic conditions favor its production. The national production last year had a value of \$165 million.

I hope each of you will be able to attend the luncheon now being served in the Ways and Means Committee room, and I appreciate your joining, with your attention, in this salute to the most versatile, the most convivial of all the products of our farms—the peanut.

Mr. Chairman, I now come to debate on the pending measure and at this time yield 10 minutes to the gentleman from Oklahoma [Mr. ALBERT].

(Mr. ALBERT asked and was given permission to revise and extend his remarks.)

Mr. ALBERT. Mr. Chairman, I rise in support of the bill as reported by the Committee on Agriculture. This bill comes from our committee after hearings on and consideration of a bill sent to us by the administration. This bill is the first effort of the present administration to attack the complex and difficult problems involved in some of our agricultural programs. The bill as drawn in the administration and as amended by the Committee on Agriculture follows a study made by a feed grain task force composed of a number of eminent Americans. The task force was appointed to determine whether it would be possible before the next crop of grain is planted to bring about corrective legislation that might do two things: first, to prevent a continuance

of the piling up of unmanageable feed grain surpluses. And, second, to undertake, while doing so, to sustain and, if possible, to improve the income of feed grain farmers.

Now, of course, the situation with respect to feed grain is in some respects analogous to the situation with respect to wheat. We have large surpluses of both commodities in the warehouses of the Commodity Credit Corporation. The wheat crop, however, for 1960 was in substantial part planted last fall. The winter wheat crop is already in the ground; already growing in the fields. It is too late to amend the law with respect to the 1961 wheat crop.

We should and we can, if we act quickly, attack the feed grain problem this year. And, why are we undertaking to attack this problem? In the first place, we have on hand now in warehouses under Government ownership and stored at government expense 2.7 billion bushels of feed grains. It is anticipated upon the basis of experience that unless we do something about existing legislation we will add another quarter of a billion bushels to present Commodity Credit Corporation stocks at the end of the present season.

In order to get at this thing, it was necessary, of course, to take into consideration the time element. This bill must become law within a matter of days or it will not be possible to make it applicable to the 1961 crop. For that reason it was necessary that the program be made a voluntary program, and this bill provides for a voluntary program.

But, in order for a voluntary program to work, it was the judgment of the Department and of the committee that we would have to do two things. First, we would have to make a voluntary program attractive enough to induce participation. Second, we would have to avoid, what we have failed to avoid many times before, a situation where the non-complier, the noncooperator, could come under the umbrella of the producer who was willing to cooperate with his Government in trying to bring down these huge surpluses. It was for this reason that we sought to give the Secretary authority to increase price supports on the part of cooperators. We have also given the Secretary authority to provide land retirement programs as provided in the bill.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from New York.

Mr. SANTANGELO. In regard to section 3, which would authorize the Commodity Credit Corporation to sell corn at 17 percent less than the 1961 price support, would you say, sir, that this is a stabilizer which would protect the consumers and prevent a runaway price in the consumer market and at the same time not hurt the farmer and get a fair price for his corn?

Mr. ALBERT. The gentleman's statement is accurate, but I think, too, that that provision is a part of the second point which I was just getting ready to make; namely, that if we would allow this umbrella of \$1.20 support to be extended to noncooperators, we would en-

courage extensive planting by non-cooperators.

The second thing we undertook to do was to take noncooperators out of the price support provisions of the law. Those who do not limit their production must risk the market price. Regardless of how much or how little they grow their production will not be supported at any price.

Of course, the point the gentleman from New York makes is correct. Section 3 will, I think protect the consumer. If the price should run away the Secretary would have discretion under the bill to sell corn or other grains out of Commodity Credit stocks. Now, I do not want to mislead the gentleman. The main purpose of this bill is to try to get down the tremendous and expensive stocks which the Commodity Credit Corporation owns, to prevent an increase in those stocks which already, if we include all commodities, are costing the taxpayer something like \$400 million a year. Everybody is interested in that, I am sure, because everybody is a taxpayer.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. The gentleman, I am sure, will agree with me that an equally important purpose of this particular bill is to raise the income of and bring additional buying power to agriculture.

Mr. ALBERT. That was my first point; there is no question about that.

Mr. ANDERSEN of Minnesota. Those two points are the major ones. May I ask the gentleman a question relative to section 3? Are you not in this section simply turning over to the Secretary of Agriculture—and I say this as a lifelong farmer—are you not turning over to the Secretary of Agriculture the power, from now on until 5 years from now, until we get rid of 2 billion bushels of the CCC corn surplus, to hold corn in my area down to about 90 cents a bushel? I am sure you are. There is no question about that, in my opinion, I will say to the gentleman from Oklahoma. I have great respect for the gentleman and I will agree with him that there is much good in this bill. But I think that the two major purposes of the bill have been destroyed entirely by bringing into it section 3.

Mr. ALBERT. On that point, Mr. Chairman, the gentleman knows that my record in this House is one of favoring fair prices for farmers.

Mr. ANDERSEN of Minnesota. I will say right here that the gentleman from Oklahoma [Mr. ALBERT] has one of the best agricultural records in the Congress, in behalf of the farmer; but in this particular instance, in my opinion, the gentleman is mistaken.

Mr. ALBERT. I am not mistaken. Under the provisions of the bill every farmer who cooperates in the program will be guaranteed about 15 cents a bushel more than the present market price. If you do not give some incentive to those who intend to cooperate under a voluntary plan, then we might as well abandon the bill. The gentleman knows

we cannot afford to make this program a windfall for those who refuse to cooperate.

Mr. ANDERSEN of Minnesota. I agree entirely with the gentleman. But is it not sufficient penalty for a non-complier to take away all price supports from him?

Mr. ALBERT. No, I do not think so, when we are encouraging widespread participation.

Mr. ANDERSEN of Minnesota. Is this supposed to be a voluntary program?

Mr. ALBERT. It is.

Mr. ANDERSEN of Minnesota. It is far from it. It is something under which the Secretary of Agriculture holds a sledge over the head of every corn farmer, including myself. He says, "You either join or I will keep CCC corn pouring into the Chicago market and hold the price of corn down for the next 5 years to \$1 a bushel."

Mr. ALBERT. Let me say to the gentleman that this House, on many occasions, in many bills that have become law, has given Secretaries of Agriculture authority to sell commodities which the Secretary takes over. That is true under this and every other law. And any Secretary who would abuse that authority under this or any other law, should not be Secretary of Agriculture.

Mr. ANDERSEN of Minnesota. Never has the Secretary of Agriculture had this kind of authority, however, to sell at 17 percent below the 74 percent of parity.

Mr. ALBERT. But he has had discretionary authority in many fields to sell many products.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman.

Mr. NELSEN. The gentleman mentioned the task force. I notice that the task force report suggested as point 2 to free CCC stocks except for payment-in-kind program and limit price supports to those who participate. These must reduce acres in corn and sorghums by 24 percent.

That was the recommendation of the task force, I think.

Mr. ALBERT. I think the administration has undertaken to follow the outlines recommended by the task force. I think the proposal the administration has made is in many respects more conservative than the report of the task force. I think it is more attractive and should be more attractive, as far as the land retirement program is concerned, than that recommended by the task force.

Mr. NELSEN. I thank the gentleman.

Mr. ALBERT. I do not think the administration was bound by the recommendations of the task force. The committee was not bound by the recommendations of the administration. This bill is an effort on the part of your Committee on Agriculture, by more than a 2-to-1 vote, to give the farmers of this country an opportunity in an emergency situation to develop a program that will help make the farm program more acceptable.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Suppose the bill is defeated, what will the effect be on the farmer?

Mr. ALBERT. If the bill is defeated it will mean that every farmer anywhere in the United States will be entitled to price supports at \$1.06 a bushel on all the corn he wants to grow. He can grow it anywhere and get \$1.06 per bushel from the Government for his entire production. That is one of the reasons why the President told us in his message that the present law has failed. That is why we must do something.

I hope we can have a better bill within the next year. I hope we can have time to work out something on a more permanent basis that will be more acceptable. But we are facing a time situation. The only alternative to higher surpluses and higher costs is this bill.

Mr. LANGEN. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Minnesota.

Mr. LANGEN. In order that we may clarify a point which I do not think has been mentioned in the discussion up to this point, it has been suggested that the Secretary's suggestion is to raise the price of corn to approximately \$1.20. Our present regulation says that if that is given action it is logical to assume he is also going to raise the price support on oats, barley, and rye, which are not under compliance agreements.

Mr. ALBERT. I will say to the gentleman that with respect to commodities already planted it was the considered judgment of the committee that it would be impossible to bring them in without creating very difficult administrative problems. With respect to all other commodities within the program, of course, there is a support relationship between them and corn.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from North Carolina.

Mr. COOLEY. As the price of corn goes up to \$1.20, it will push up the price of these other grains.

Mr. ALBERT. I think the gentleman's statement is a very important one, because I believe that section 3, which will discourage the planting of corn and other grains covered by the bill, will be of value to those who have planted barley and other crops, because they will have less competition in the marketplace.

Mr. COOLEY. May I ask also if the vote in the subcommittee on section 3 of this bill was not unanimous, and then the vote of the full committee on that section of the bill was 25 to 8, better than 3 to 1. We have had a lot to say about section 3. Section 3 was put in there to prevent the market going below a dollar a bushel. The only fluctuation would be between the price of a dollar a bushel and \$1.20 fixed by the Secretary.

Mr. ALBERT. I thank the gentleman. I think the gentleman's statement is correct.

Mr. DAGUE. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. NELSEN].

Mr. NELSEN. Mr. Chairman, in the debate yesterday, the gentleman from North Carolina [Mr. COOLEY], chairman of the Committee on Agriculture made the statement that we have a responsibility. I agree with that statement and I accept my responsibility. My interpretation of this word certainly calls upon me to do everything I can to make this program work. It seems to me that with that responsibility, there are things I should call to the attention of the Members of his body, which I propose to do, and I shall offer some amendments to this bill. I hope I may find the proper words to make it crystal clear. It is my intention to do everything I can to assist in making the proposed farm program work. As a farmer, I know it is necessary that something be done regardless of whether we have participated in farm programs in the past and regardless of whether or not we believe a farm program should exist or not exist. We do have a problem caused by a program which did not work to reduce surpluses. If ever agriculture is to get back on its feet, the depressing surpluses that hang over our heads must be systematically reduced, and if that is not done, we take the chance of a catastrophic result that would certainly come if the surpluses are dumped on the market without regard to what happens to our total economy.

Congressman POAGE graciously permitted me to sit in on the hearings the day the Secretary of Agriculture appeared, and I noted that the new Secretary repeatedly made the statement that he would be willing to accept the recommendations of the Congress, and would like to have its suggestions relative to the bill. I take him at his word and, therefore, I propose to offer some amendments—that in my judgment will bring greater land retirement which is necessary to the success of the program. I would like also to comment that certainly those of us in this body who know CARL ALBERT know he has been a sincere and hard worker in the interest of agriculture. We certainly thank him for his efforts. At this hearing I stated that to me there seemed to be evidence of progress in proposals that were submitted, and I think all of us recognize for many years we have been battling about 90 percent of parity, assuming that that would be the answer. This proposal suggests 74 percent of parity, but it also suggests that a land retirement program is necessary in order that farm prices may be restored. A year ago, several of us introduced bills with the idea in mind that in order to restore prices we had to reduce surpluses by retiring tillable acres. While this bill is confined to the commodities of corn and grain sorghums, it does accept the idea of land retirement as necessary for the success of any farm program. A year ago we made a careful check on the total acres in production in the United States, and as nearly as we can determine, we found that we had in the United States about 338 million acres of land in production.

We have about 182 million acres that are producing cash crops, some of which goes into the Commodity Credit Corporation and some of which is sold on the cash market, but this group is the group that produces a surplus. We have 156 million acres of land in the United States operated by the family farmer who everyone talks about in political campaigns. The 156 million acre group produces crops that stay on the farm. They are seldom sold on the cash market and there is no incentive in this bill, in my judgment, that would encourage the 156-million-acre group to participate. If we are to retire adequate acres, we must have the total agricultural economy of the United States harnessed to make this bill work. I can assure you, it is my sincere intention to try to do everything I can to get the proper land retirement to reduce surpluses and to restore the prices. I might say in Minnesota, 75 percent of the farmers are not involved in a farm program of any kind. They do not sell on the cash market. They have dairy cows or feeder cattle or hogs. My farm is one of them. I have never negotiated a commodity loan on my farm in my life. But, I am under a burden of a surplus that depresses the agricultural economy of the country, and I need to help to do something for the benefit of the program, and here is what I would like to call your attention to.

The point I want to make is that if land retirement is to succeed, the 156-million-acre group must be encouraged to retire land and absorb some of the surpluses. At the same time, this group cannot be encouraged with the present program because the group does not sell on the market. High supports would not be an incentive. The only chance to encourage their participation is to replace feed that they would have raised on their land, if they take it out of production. The same group is largely dairy farmers. Under the provisions of this bill silo corn is considered to be corn. If the dairy farmer is going to get payment of any kind, he must reduce his corn acres by about 40 percent, which means he cannot fill his silo. There is no way he can get any silage in payment in kind. Therefore, you have closed the door on the dairy farmer in the provisions of this bill, which means you will not have adequate land retirement to do the job.

Another factor that seems obvious under the provisions of this bill: The Secretary of Agriculture has stated that the support price level for corn would be set at \$1.20, while the bill would permit the Commodity Credit to sell corn at 17 percent less than the support level for 1961. This means actually that the market price for corn will be 62 percent of full parity. Full parity has always been considered to be the cost of production plus a reasonable profit. Under these conditions the speculator would move into the market, buy the cheap feed at a price which no producer or family farm can compete with.

The farmer cannot sweep his farm under the rug when the assessor comes around. He must pay his taxes. He has his fixed costs, and he cannot afford to

participate and he cannot compete under the provisions of this bill.

I have prepared an amendment to exempt silo corn from the provisions of the bill. The gentleman from Wisconsin, [Mr. THOMSON], has indicated he is interested in it; Mr. LANGEN is interested in it. Silage does not go into the terminal markets. It does not go into the Commodity Credit. It is fed on the farm. On the other hand, if this farmer could keep his silage and go into the Commodity Credit market and buy some of the surplus and retire some acres, he could continue with his normal farm operations.

I have prepared another amendment which would give the farmer a chance to take his entire payment in kind. If the farmer took payment in kind, he should agree not to put the commodity on the market in competition with the market. I have been told that amendments will be offered to calculate production on a 5-year average, which I think is good. I shall support it.

I will suggest another amendment that will give the farmer a part of his payment on signing up, which I think will encourage participation.

Finally, section 3 of the bill is too great a price to pay for the enforcement provision. While in some cases it will encourage participation in dealing with the 182-million-acre group, it will be disastrous in dealing with the 156-million-acre group. What you achieve on the one hand will be offset by the speculator who moves in in competition with the family farm. Not only that, but every little country elevator, including many of the small private and cooperative elevators, would be out of business under such a provision.

I hope the committee will accept the amendments which I will propose, because in my judgment this will make it a better bill. I hope I have convinced this body that it is my wish to make this a better farm bill in the interest of agriculture.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Texas.

Mr. POAGE. In the gentleman's amendment will he allow the Secretary to pay part of the amount at the time?

Mr. NELSEN. Part payment.

Mr. POAGE. You will leave it to the discretion of the Secretary?

Mr. NELSEN. Yes.

Mr. POAGE. I see no objection to that at all, as long as we leave that discretion.

Mr. NELSEN. I thank the gentleman. And I hope the gentleman feels the same way or gives the same thought to the silage provision, because many of these little details that will improve this bill I do not believe there should be any objection to.

I think we could make this a better bill and I want to do that sincerely.

I now yield to the gentleman from North Carolina.

Mr. COOLEY. Would the gentleman want the Secretary to pay the entire amount at the time of signup? Because

if he did, thereafter the person involved might still violate the program.

Mr. NELSEN. I understand. I think it should be only part payment at the time of signup.

Mr. COOLEY. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, first I would like to set forth in the RECORD at this point the names of the individuals appointed by Secretary Freeman on January 26 to serve as a task force in connection with the legislation we are now considering. It is a long list mostly comprised of farmers headed by Mr. Fred Heinkel of Columbia, Mo., chairman. Mr. Heinkel is the President of the Missouri Farmers Association.

This committee also has a very distinguished citizen member, Claude Wickard, former Secretary of Agriculture. Also on the committee is Dr. Willard Cochrane, who is now associated with Secretary Freeman; Mr. Dorsey Kirk, Master of the Illinois State Grange; and there is a long list of farmer members of this task force including: Ralph Cole, Lincoln, Nebr.; Al Diamond, Pana, Ill.; Walter Geoppinger, Boone, Iowa; A. Jack Hall, Windsor, Va.; D. G. Harwood, Albemarle, N.C.; Charles Hearst, Cedar Falls, Iowa; Earl Hogan, Hope, Ind.; Hans Jensen, Lincoln, Nebr.; Fred Ludwig, Laurena, Iowa; Frank Nutter, Corinna, Maine, Orlando Odegard, Buxton, N. Dak.; Joe Russell, Piper City, Ill.; Lail Schmidt, Lamar, Colo.; Arthur Thompson, West Des Moines, Iowa, and Don Wooten, Crosbyton, Tex.

Mr. Chairman, the gentleman from Texas [Mr. BECKWORTH] on yesterday referred to the fact that in the operation of the price-support program certain payments have been made to individuals, payments in large sums, when actually he meant to say that large loans had been made to individuals and corporations; and the record will show the intent of the gentleman from Texas. I have obtained information from the Department of Agriculture on the loans which were the subject of yesterday's discussions.

The gentleman from Texas [Mr. BECKWORTH], mentioned 10 large price-support loans on barley, corn, and grain sorghum made in 1959. I had the Department check the records. These records show:

Loan No. 1 for \$1,136,667, paid in full; No. 2, \$1,017,500, paid in full; No. 3, \$923,991, paid in full; No. 4, \$435,046, paid in full; No. 5, \$270,836, paid in full; No. 6, \$263,142, paid in full; No. 7, \$182,988, the Government is holding the collateral of 161,936 bushels of corn placed against this loan; No. 8, \$164,817, paid in full; No. 9, \$151,938, the Government is holding the corn and grain sorghum on which this loan was made; No. 10, \$137,207, the Government is holding the corn put up as collateral for this loan.

Going back to the 10 largest 1958 crop price-support loans, which were a part of the discussion by the gentleman from Texas [Mr. BECKWORTH], the Department records show:

Loan No. 1, \$1,140,432, \$840,091 repaid, with the Government holding barley as collateral on the remainder of the loan;

No. 2, \$1,115,861, paid in full; No. 3, \$951,077, of which \$334,438 has been repaid, with the Government holding barley as collateral for the remainder; No. 4, \$398,667, paid in full; No. 5, \$340,347, \$333,361 repaid, oats held as collateral for the remainder; No. 6, \$314,990, \$246,758 repaid, barley held as collateral for the remainder; No. 7, \$313,681, paid in full; No. 8, \$267,085, paid in full; No. 9, \$257,553, paid in full; and No. 10, \$208,718, no repayment, but corn and grain sorghum held as collateral against loan.

Of the 10 largest feed grain loans made in 1959, 7, including the largest 6, have been repaid in full, with interest. The Department reports to me that the Government not only lost nothing on these transactions, but that the producers paid some \$65,000 in interest and some \$25,000 in service fees on these loans. In addition, about 85 percent of the grain under another loan has been redeemed, leaving only 2 out of the 10 loans in connection with which the grain—mostly corn—was delivered to the Government or placed under the resale program.

I do not have a similar overall analysis of the 10 large grain loans in 1958. The Department had to go to field offices to obtain the figures.

I would like to say to the House that from the standpoint of a sound market price structure, it is just as important for large farmers to follow orderly marketing practices as for small farmers to do so. The primary objective of the Commodity Credit Corporation since it was established in 1933 has been to assist producers in orderly marketing. There is nothing wrong with the large growers utilizing this program for that purpose. And I repeat that the six largest feed grain loans in 1959, two of which were for more than \$1 million, cost the Commodity Credit Corporation not one penny, and in fact, resulted in a net gain to the Government.

There are some smaller loans which apparently were not paid in full, but the grain securing the loans was turned in to the Government; the Government now has it and it will be liquidated.

Mr. DAGUE. Mr. Chairman, I yield 6 minutes to the gentleman from Colorado [Mr. DOMINICK].

(Mr. DOMINICK asked and was given permission to revise and extend his remarks.)

Mr. DOMINICK. Mr. Chairman, because I believe that this is such an important bill and because I come from a State which will be decidedly affected I am taking the floor for the first time to urge your careful consideration before voting on it or on the amendments, at least one of which I shall present later.

I listened carefully to the debate yesterday and was amazed at the variety of opinions on the measure and gratified at the clarity of many of the speeches, particularly those of my colleagues from Maine and North Dakota. One colleague, the gentleman from Texas [Mr. POAGE] however, indicated that this was an emergency panacea—a cure-all, which would increase farm income, decrease production, decrease surplus supplies and cut costs to the taxpayers. It seems apparent an emergency bill of this

type and of this scope cannot accomplish all those things, although we all agree they are worthy efforts. But certain facts about the bill should be emphasized.

Agriculture has been under governmental controls for 30 years and is still sick. While you cannot drag a sick man out of bed and make him run a race, nevertheless you don't make him well by keeping him in the operating room of a hospital. In my opinion this bill would do the latter by granting to the Secretary of Agriculture unprecedented powers to control the whole corn and feed grain market. And I say the latter advisedly.

It has been said that this bill will not affect oats and barley. But this is not exactly true. It took them out of the front end of the bill and brought them back in the tail end of the bill. If you will look at the second part of section 1 of this bill you will see that in order to get support prices on oats, rye, barley or other small feed grains, if during any time in 1959 or 1960 you have grown any corn for silage or otherwise you must comply with this program or you do not get your support price on oats, rye, barley and the other feed grains which are not supposed to be covered by this bill at all. So, on the one hand it is taken out and on the other hand it is put back in.

I have an amendment to propose which I hope will take care of that at a later time.

Yesterday the gentleman from Texas [Mr. MAHON], pointed out that on retired acreage a producer would receive only 50 percent of the average production of the farm for 1959 and 1960. Ordinarily a longer period is used and there has been talk about a 5-year history, but in this bill the question of what is going to be done in hardship cases created by weather is left to the Secretary of Agriculture. There are no guides set forth.

In order to determine what we are doing I might call your attention to the following points. If this bill is passed we are giving to the Secretary of Agriculture the power to determine what the support price levels are going to be, floored at 65 percent of parity. We are requiring participation in the corn program before a farmer is eligible to get support on oats, rye, and barley. We are giving him power to determine what hardship relief shall be given and we are asking him to establish a program under which the diverted acreage must be kept free of weeds and rodents, as well as insects. We say nothing in this bill about what is going to happen if it is not kept free of those things. Is the Secretary going to withhold payment for the diverted acres? Does the producer go to jail? Is he fined? We have nothing in this bill which says how he is going to implement that provision.

Then in section 3 he is given the power to undersell the market in order to force participation. I do not believe that Members of Congress want to abrogate their powers to this extent.

I venture to say that never before has Congress turned over such broad powers to the Secretary of Agriculture, and

since 1933 has not been asked to establish such a system of administering prices.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. DOMINICK. I yield to the gentleman from Texas.

Mr. POAGE. I just wonder if the gentleman does not think it better to let the Secretary determine what he would do in these hardship cases, let him make these rules as to just how he must handle these details, than to have us attempt here on the floor or in the committee to write details. We can never get them all in line at one time. It has been my experience that when you attempt to write these kind of details in legislation you always find that you have forgotten something that you wanted to put in there.

Mr. DOMINICK. I agree.

Mr. POAGE. And you have failed to take care of some of the very hardships for which we find there is need, whereas if you leave it flexible so that the Secretary can care for them from day to day, you can take care of these things. It was because of that that we gave this flexibility.

Mr. DOMINICK. Provided you give a sufficient area as regards historical production in order to determine an average production yield.

Mr. POAGE. If the gentleman is now talking about the question whether we should have a 2-year history or 5-year history, that is a vastly different thing. But, I think what I am talking about is applicable whether you have a 2- or 25-year history. You better leave your details to the Secretary rather than to try to write them out.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. POAGE. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. JONES].

(Mr. JONES of Missouri asked and was given permission to revise and extend his remarks.)

Mr. JONES of Missouri. Mr. Chairman, the colloquy that just took place, I think, emphasizes one of the things about this legislation that should be considered here. It was somewhat disappointing to me to find out that after your subcommittee had worked a week and we had heard from all of the leaders of farm organizations from all over the United States, and on a Friday the subcommittee having voted without a single dissenting vote to adopt this bill and on the following Monday the whole committee having voted 25 to 8 to adopt and recommend this bill for passage, that since that time many of the Members who approved this bill in its present form have departed from it and are now opposing it. Of course, that is their privilege.

But what I would like to talk about for just a few minutes is just some commonsense, directed particularly to those people who do not come from farm areas, to those of you who come from city areas, who represent what we might say is the consumer segment, the taxpaying segment, and to ask you to consider the circumstances under which this bill came to the floor.

For the last 8 years our farm programs generally have not worked. I think most people recognized that the job of Secretary of Agriculture was going to be one of the most difficult jobs in this new administration. I will say quite frankly that the choice of Secretary of Agriculture at the time of his appointment was not the choice that I would have made. I will also say that the appointment of the Secretary of Agriculture was not the job that I think Governor Freeman might have preferred to have had. But I will say that, after he has taken office and after his appearance before our committee, I think he has made a very favorable impression on our committee and on the leaders of agricultural groups throughout the country.

Also, I think the public generally has confidence in him, because he is smart enough to admit that he does not know some things, that he is relying upon the judgment of people in whom he does have confidence and who have had experience, who can bring some good sense to an agricultural program that will work.

I think the Secretary of Agriculture has already demonstrated that he is going to be aggressive, he is going to try to do something to help the agricultural segments of our economy.

I think with reference to the bill we have before us today, there was almost unanimous opinion in the committee, at a time before we received a lot of pressure from various sources to amend or to take out; and in that bill we gave the Secretary some authority, in section 3, which many people have criticized, have said is too much authority for any Secretary to have. But I want to call your attention to the fact that we are in an emergency. This is an emergency measure, it is a temporary measure for 1 year. We are trying to solve one of the most difficult problems we have. It has been pointed out here the great investment that we have in corn and other feed grains, running up to more than 4 billions of dollars. But I want to point out to you, Mr. Chairman, this fact, I think most of you can understand why the people who operate warehouses, the people who operate elevators, the people who are dealing in grain—of course, I am not criticizing them for taking exception to section 3. I think if I were in their place, I would take exception, too. But I think those people who are not well acquainted with the agricultural program but who have a genuine desire to do something to help the farmer, to help correct a condition which has built up over the years, and which has become progressively worse during the past 8 years, if they want to do something for the farm economy and for the farmers of this country, they are going to have to make up their minds today, when I presume the vote will come to take out section 3.

Whether you are interested in trying to perpetuate this system of unlimited storage of commodities that we have in long supply is a question you will have to answer. One of the greatest surpluses we have is that of storage facili-

ties. They have accumulated, they have been built up over the years. We have more than we need.

People who have invested in those facilities have received a good return on their money. I do not think the taxpayers of this country have any obligation to continue them in business at the expense of the farmer and taxpayers. So when you vote today on section 3 I think you are going to have to make a determination: Am I trying to do something to help the farmer, to help the farm economy? Am I being influenced by the letters I have had from grain dealers, from warehousemen, from the operators of elevators? Am I more interested in helping them?

I think all of us realize that we have written into this bill an adequate vehicle to reduce these supplies and every time we reduce the supplies, we reduce the burden on the taxpayer. I know we will never come up with a farm program which is going to be universally acceptable, acceptable to all people.

We have in the farm economy one of the most difficult problems. There is the fact that there is so great a differential in the cost of production. That applies to all commodities. We talk about what is a fair price for corn. The Secretary says, "We are proposing to support corn at \$1.20 a bushel." We are giving him the authority to sell corn out of these supplies, if he finds it to be in the best interests of the program, at \$1 a bushel. I have in mind farmers in my area and in the corn section of this country who could put hundreds of thousands of acres into corn and the producers would be happy to receive \$1 a bushel for it. But unfortunately all producers cannot produce corn for \$1 a bushel. So we have to arrive at some fair average figure, and that is what it is.

Today I want to remind you of the very difficult task you will have in trying to write this bill on the floor. Your committee went into this very thoroughly. I think all of us could have offered some amendments that would have been acceptable or that we might like to see in this bill, but in the best interests of not only the farmer but the whole Nation and the taxpayer we brought out this bill.

This bill, which was agreed upon unanimously in the subcommittee, with one abstention, and by a vote of 25 to 8 in the full committee, represents the best sound thinking in bringing to you a program that will work, which will give adequate support to the producer, and which will discourage a person who might want to get out and expand his acreage. At the same time this vehicle we have given to the Secretary in section 3 does two things: It discourages extensive overproduction and at the same time gives a protection to the consumer.

Someone said a minute ago that the dollar a bushel for corn was not enough. May I remind you that if we take off all agricultural controls and if we do away with all support programs, you are going to see corn selling for a whole lot less than a dollar a bushel. It sold last year for less than a dollar a bushel when

there were not sufficient facilities to store the grain or the moisture content was such that it was not suitable for storage. So this section 3 does two things. It is a fair proposal.

In closing, may I call upon those who may not be familiar with all of the provisions of this bill to try to have confidence in a committee that heard all of the testimony, and has brought to you a bill that is fair. If you will go along, I think that during this year we can show some improvement. If we do not show some improvement, we are not obligated to go on any further. It can be changed. If this program works as well as some of us think, it might well be continued, but it will be up before you to act on again. I hope you will support the committee.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. BELCHER].

(Mr. BELCHER asked and was given permission to revise and extend his remarks.)

Mr. BELCHER. Mr. Chairman, just for the record I happen to be one of the eight.

I recognize that we do have an emergency, that agriculture has been in an emergency ever since 1931. Every time we bring a bill to the floor of this House and pass it we get agriculture in a little bigger emergency than it was before. Yet year after year we come before this House and ask the House of Representatives to back the best judgment of the Committee on Agriculture in solving an emergency. Yet we find at the very time we bring this bill here that it is only for 1 year. If it is going to solve an emergency it ought to be good from now on. But I do not believe it is going to solve an emergency.

I believe this bill before us today has as little to recommend it to any segment of this House of Representatives as any bill we have ever brought before you. In the first place, it permits the Secretary to set the support price of corn anywhere from 65 percent to as high as the sky. We have never done that on any other basic commodity. Regardless of what kind of juggling of figures is presented here, it is going to cost the taxpayers more money than the present program is costing. We will not raise the farmer's income to any great extent. He will have more administrative headaches, he will have more problems, he will be back to acreage allotments, which he got out from under the present program when 71 percent of the farmers voted to get out from under acreage allotments. It will completely put the grain trade out of business, and just keep in mind that the grain trade is not just a bunch of millionaires out in Kansas City or Chicago, the grain trade is every cooperative elevator in the entire country that deals in feed grains. These are owned by the farmers themselves. Now our distinguished chairman said we have lost \$1,455 million on this program; that we now have \$4,500 million invested in feed grains, and that we are facing a horrible emergency. We have lost an enormous amount of money. We have an enor-

mous surplus, and that the way we are going to cure it is to raise the price of corn from \$1.05 to \$1.20. If you had a warehouse full of merchandise that you had spent too much money on and that you could not sell and that you could not give away, then I know the average businessman would not say the way to cure that situation is just to raise the price on more merchandise to put in the same warehouse where he has the present merchandise stored.

Our distinguished chairman yesterday attempted to make this a strictly political issue. He says this is the Democratic platform, and he appealed to one of his colleagues over here to vote for this bill on the ground that it would be carrying out the Democratic platform. I do not know just exactly what the Democratic platform contained concerning this, but I might say for you folks over here who have party loyalty, and I know all of you do and you should have, you are not going to be doing your party a great favor, in my opinion, in voting for this bill. In the first place, you are going to make practically all the corn farmers mad because you are going to force the Secretary of Agriculture within the next few weeks to go out and determine the number of acres planted on every feed grain farm in America in 1959 and 1960.

In addition to that, you are going to force him to determine exactly how many bushels were raised on those acres planted in 1959 and 1960. If he makes a mistake and finds that too many bushels were planted, he is going to be hurting the taxpayers. If he makes the mistake and does not give the farmer credit for enough bushels, he is taking money away from the farmers.

Section 3 has been kicked around here a great deal. Section 3 is about the most impossible provision in this whole bill, and for this reason. This is the situation in which we find ourselves. If section 3 is taken out, there is not a single consumer or anyone representing a consumer area on this side or on the other side either, or any of you representing any of the deficit areas who is going to dare to vote for this bill without penalizing practically every constituent that you have. By the very same token, if you do leave section 3 in, then you are going to hurt every single corn farmer in the country and everybody in the feed grain area. If you take it out, you ruin this side and if you leave it in, you ruin the other side. I do not know what you are going to do with section 3.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from North Carolina.

Mr. JONAS. The farmers in my district generally produce livestock, dairy and poultry products. Would you elaborate on your statement as to how they will be affected by this bill?

Mr. BELCHER. I just got through saying that every farmer who lives in a feed deficit area has to buy feed for their poultry and for their dairy or for any other purpose, and undoubtedly would have to spend more for it unless

section 3 stays in the bill. So at any rate you are going to be caught.

Now just one comment on the new Secretary of Agriculture. I know it is an impossible job to be Secretary of Agriculture. But I never in all the 8 years that our party had a Secretary of Agriculture ever voted to put him in the hole that you fellows are going to put this Secretary in when you force him to go out and determine all these acreages and all of these average bushels of production because you are going to put him in the deepest hole possible. You gentlemen had a tremendous lot of fun for 8 years running against Secretary Benson, but I just want to tell you something that if you put Orville Freeman in a few more holes just like you are putting him in a hole with this bill, it will be nothing compared to the fun that we are going to have running against your Secretary of Agriculture.

So, from a political standpoint, before you vote to make all of the grain dealers mad, the consumers mad, and all of your taxpayers mad, and all of the people who have to buy feed, just stop and consider the situation.

Mr. POAGE. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Mississippi, who has done so much for the American farmers and is at the present time on the important Committee on Appropriations dealing with agricultural matters.

Mr. WHITTEN. I thank the gentleman.

I just wanted to point this out, that the statement made about section 3 I think up to this point has not made it clear that all section 3 does is to prevent the nonconforming farmer, the man who refuses to help bring things into line, from any benefit of the passage of this law. That is all it does. It allows the Secretary to say "I will sell this corn at the price you get," and that is all it means. If we do not do it, if those who help carry the load get to \$1.20, and this fellow who refuses to do anything would probably get \$1.15 in benefit, and he should not.

Mr. MATTHEWS. I want to thank the gentleman for his excellent statement.

Mr. Chairman, first of all I would like to thank the members of the committee who are not from farm areas for the interest they have expressed in the farmer, and for their sincere desire to be of help, if they possibly can, and at the same time be fair to their constituents.

I want to plead for your continued sympathy and understanding, because you see that as far as the farm belt is concerned we are greatly divided.

There are 35 members of our committee. As I recall, there are about 6 minority reports, but keep in mind that those minority reports suggest opposition by only 11 members of the 35 men and women on the committee. One or two of our colleagues have dissented twice and have given a couple of dis-

senting opinions, which of course is their privilege. But now to those who represent consuming areas may I point out some information that has not been placed in the record. I think it would be helpful to the cause of American agriculture, and for a better understanding of the people of America concerning American agriculture, if you would permit me to give you a few facts.

Agriculture is today the Nation's biggest industry. It employs 7.4 million workers, or more workers than are employed in the steel industry, the automobile industry or transportation and public utilities combined.

Investment in agriculture exceeds \$203 billion. Each year the farmers of America spend \$25 billion to \$26 billion a year for goods and services to produce crops and livestock, and another \$15 billion a year for the same things that their friends in the cities buy, food, clothing, drugs, furniture, appliances, and other products and services.

Each year the farmers' purchases include \$2½ to \$3 billion worth of new farm tractors and other motor vehicles and machinery and equipment; \$3.5 billion for fuel, lubricants, and maintenance of machinery and motor vehicles. The farmers use more petroleum than any other industry. The farmers spend \$1½ billion a year for fertilizer and lime. They use 320 million pounds of rubber, about 9 percent of the total used in the United States, and they use 24 billion kilowatts of electricity, or 5 percent of the Nation's total.

Here is another figure: 10 million people have jobs, storing, transporting, processing, and merchandising agricultural products. Six million people have jobs providing the supplies the farmers use.

American agriculture is today, of course, an efficient, progressive industry. The American farmer as a taxpayer in 1959 paid farm real estate taxes totaling \$2.1 billion; income taxes totaling \$1¼ billion were paid by the farm population.

Net taxes paid by farmers on motor fuels were \$372 million.

Motor vehicle license fees and taxes paid by farmers were \$172 million.

The American farmer, of course, is doing his part to help us win the cold war by his efficiency and abundant production of food and fiber. That is his record.

Farming is shelter. It takes one acre of healthy forest 20 years to grow the lumber for a five-room frame house.

Farmers and other small woodland owners control 54 percent of the Nation's commercial forests. Three out of four forest owners are farmers.

About 400 pounds of paper per person is consumed each year. This requires the net annual wood growth from about three-quarters of an acre of commercial forests. A large New York paper uses the equivalent of the net annual growth from 6,000 acres of commercial forest land for its Sunday issue, and the net annual growth from 500,000 acres every year.

Mr. Chairman, this is the problem that the farmer faces: What does he

receive? I have often said that if the farmer could get his just share of the consumer's dollar and let everybody else have his just share, the farmer's problems would be solved. But the farmer does not get his fair share. For each dollar spent for food the farmer gets not 50 cents but just 38 cents. He gets 2.4 cents for the corn in a 26-cent box of corn flakes.

He gets 62 cents for each \$1 spent for Choice grade beef, and 11 cents for the oranges in a 26-cent can of frozen orange juice concentrate.

He gets 2.3 cents for the wheat in a 20-cent loaf of white bread, and about 11 cents from a 25-cent quart of milk. He gets about 29 cents for the cotton in a man's \$4 business shirt, and about 25 cents stumpage for each \$1 worth of pine lumber produced from his woods.

Then I would like to give this final statistic in this connection: 20 percent of our disposable income went for food in 1959. If we had bought in 1959 the same kinds and quantities of food we ate in the period 1935 through 1939 we would have spent only 15 percent of our 1959 income. So the price of food to the consumer, I sincerely believe, shows a very favorable situation, and today we ask our friends representing the consuming areas to support us in the solution of the farm problems because I believe consumers—all of America—have a stake in a healthy agricultural economy.

But here is where the rub comes: What is the best solution to our problem? Good men have disagreed. I felt that after having worked for days with our committee on this bill that the better angels had played on the chords of our natures so that we had almost 100 percent unanimity on the basic features of this measure. Then I do not know whether baser angels came into the picture, but something happened and we found ourselves I am sure due to no wrong motive, but due to honest differences of opinion—we found ourselves in disagreement.

May I repeat what the gentleman from Oklahoma [Mr. ALBERT] so ably said: We are in a deplorable situation insofar as feed grains are concerned. The taxpayers—and farmers are taxpayers—have a right now to begin to ask us for a concrete suggestion, and this bill is designed to help meet that problem; it is designed to help the farmer; it is designed to help the consumer. This bill is supposed to take out of possible production hundreds of millions of bushels of grain that we do not need and save \$500 million. Perhaps it would not do that, but I think it will. I think the bill should be given a chance.

Let us look at some of the objections that are made to the bill. It has been pointed out that we do not have time for administrative procedures. I am proud to say our Secretary of Agriculture has already been making certain investigations and reports so that he can calculate the average yield on feed grain production for 1959 and 1960. In every newspaper of every county in my district of Florida already information has been given to the farmers so that they will be

on the alert to help prepare the reports we are going to have to have.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MATTHEWS. Mr. Chairman, time is of the essence. We do not have any time left to delay the starting of a plan which we hope will do something about this tremendous grain problem, \$4 billion worth of it in CCC stocks. I want to be fair to the farmers of America, I want to be fair to all of America to the best of my ability. I am proud of the fact I am a member of the Committee on Agriculture and that I have this particular responsibility of trying to give information about this bill.

Someone has expressed concern about the increased cost for feed grains in deficit areas. One of the most outstanding members of our committee, the gentleman from Maine [Mr. MCINTIRE] a great friend of the farmer and a great personal friend of mine, pointed out yesterday he feared about the increased cost of feed grain in deficit areas. The gentleman from Minnesota [Mr. ANDERSEN] who is another powerful champion of the farmer, is worried about this bill because he is afraid it gives the Secretary of Agriculture the right to make the price of grain so low it will be unfair to the corn farmers. The gentleman from Oklahoma [Mr. BELCHER] is worried because we give the Secretary of Agriculture the right to set feed grain prices at any level above 65 percent of parity. Remember our friend, the gentleman from Minnesota [Mr. ANDERSEN] is worried because he thinks the language is such it will depress the price of corn to his farmer, while the gentleman from Maine [Mr. MCINTIRE] fears it will increase the price of corn. These are all honorable gentlemen, and they are learned gentlemen. They are concerned with these problems as all of us were.

Now I think we have equated these views in a manner fair to all. I think we came up with the very essence of statesmanship. We could not satisfy everybody. We could not completely satisfy the man who sells the grain, or some of our people who naturally want to make all they can off the farms. We could not go all the way with any of them, but we have come to that point of honorable compromise which is the very essence of good legislation.

Coming back to section 3, let me read you the very language in the bill:

Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized to sell any corn or grain sorghums during the marketing year for the 1961 crop of such grains at any price not less than 17 per centum below the 1961 support price for such grains.

If you cut that section out you cut out the heart of the bill.

This reminds me of a story down in my section of the country. We were going catfishing in the Suwannee River where we have the most succulent and wonderful catfish in the world. When you catch a catfish sometimes he jumps around and gets out of your hands. We had a helper to clean the fish. One day

he was trying to get hold of a squirming catfish. The catfish would not stay still so he could clean the fish. He said to the catfish: "Keep quiet. I'm not going to hurt you. All I am going to do is cut your insides out."

If you take section 3 out of the bill you cut the insides out of it, you will not have the protection that we think we ought to have for those who comply and those who make certain sacrifices. It will not produce a decrease in the production of grain.

In conclusion, let me say that we have tried to put in this bill controls. We tried to say to our farmers, "We think if you get a good price support we ought to have the courage to say to you: 'You ought to have production controls' so that the taxpayers, so that all segments of America may be treated fairly."

We have only two alternatives.

We can keep the present program, spending \$500 million a year more than the cost of the proposed program, or we can try this new program, which we think deserves a chance, for 1 year. Two billion, seven hundred million bushels of needless feed grains are stored up in our bins today, and I plead with you to vote for this bill and give it a chance to see if it cannot correct some of our problems.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I will be glad to yield to my very dear friend from North Carolina.

Mr. JONAS. I do not have the privilege of serving on the committee, and I did not have a chance to hear all the discussion yesterday. We had an appropriation bill on the floor, as you know. Now, I have high respect for the judgment and the ability of the gentleman, and that is the reason I ask this question. In the course of his remarks—and I know this bill is designed to help the corn farmers and grain farmers—the gentleman said it would be beneficial to the consumers. I wish he would, for my benefit and the benefit of those of us who may not know how it will benefit the consumers, tell how this bill will benefit the consumers.

Mr. MATTHEWS. I will certainly try to. But, before I make this explanation, let me tell this story about the man who had two wives. One wife was named Millie. She died. He married another beautiful girl named Tillie. She died. Then the gentleman died. And, in his will he had said, "Bury me between Millie and Tillie but lean me toward Tillie." All I will say to the gentleman is this, the bill leans toward the farmer. Let us be frank about that. My friends from the large city areas want me to tell the truth, and I am telling it. This will help the farmer, and I know you do not want me to apologize for him. Let me say this, I believe it will cost you less than the program we have today, and if it saves you nothing else except the storage costs, I think the saving will be tremendous. I want to say to my dear friend from North Carolina—and I thank him for his interest in the matter—that we who are in favor of this bill believe that in storage costs alone it will save the consumer, who pays the

taxes of course, many millions of dollars. We are talking about tax relief now, in this instance.

Mr. JONAS. My farmers produce poultry, livestock, and dairy products. How will this bill help them?

Mr. MATTHEWS. Well, we just heard our friend from Minnesota [Mr. ANDERSEN], say he is afraid the price of corn with section 3 is going to be so low that it will be detrimental to his area.

Mr. ANDERSEN of Minnesota. May-be I can answer the question.

Mr. MATTHEWS. Thank you, sir.

Mr. ANDERSEN of Minnesota. If this bill passes with section 3 in it, it will force my corn farmers to sell corn at \$1 a bushel for the next 5 years due to the surplus of corn in the hands of Commodity Credit Corporation, and therefore it will force my farmers to go into the poultry business because of the fact that they are not getting more than \$1 for corn. It will force my farmers also to go into the hog business. We can produce and do produce hogs, poultry, and livestock in great numbers in Minnesota, and we will have to step up that production if you persist in giving the Secretary of Agriculture the power to bring the level of our corn down to \$1 a bushel. That is my reason, Mr. MATTHEWS. I do want to compliment you for bringing out the agricultural economy picture, as you did today.

Mr. MATTHEWS. I want to thank my distinguished friend.

Mr. HOEVEN. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, when this bill left the Committee on Agriculture I voted for it. But as I did, I announced to my colleagues that I intended to do everything I could to strike section 3, and for a number of reasons. But before getting into that I would like to go over the first two sections of the bill and the program involved in order to give you my views on it.

We worked out a compromise—granted. To start with the price support level shall be set by the Secretary at not less than 65 percent of parity. There is no limit on the top. I do not think we have to worry that the Secretary will set the price supports at 100 percent of parity or 200 percent. I think he will do it somewhere within reason.

There is also a section that a person must idle 20 percent of his acres in order to be eligible for price supports and be allowed to idle 20 percent more if he so desires. I would have liked to see the additional permissive diversion set at 30 percent in order to get more land out of production this year. But the Committee on Agriculture did not see fit to go along with that so I accept the compromise.

There is one provision which we changed, which is important and which I think all Members should bear in mind. As the bill came from the Secretary of Agriculture, in his report to us, and as the gentleman from Texas introduced

it in the Committee on Agriculture, it provided that all the grains paid to the farmer by way of payment in kind could be merchandised by the Secretary of Agriculture through the Commodity Credit Corporation at the market price. We refused to go along with that proposal. This would have enabled the Secretary of Agriculture to manipulate the market. We changed it so that the payment in kind would be paid through a negotiable certificate so that the farmer would merchandise his own grain.

On reading the report on the feed grains bill I find at the bottom of page 5—and I want to ask the gentleman from Texas [Mr. POAGE] a question about it:

The committee suggests that it might be possible for the CCC to act as the agent of farmers who wish to sell their certificates, rather than withdrawing the grain themselves.

You will recall Mr. POAGE, that we intended that the farmer should merchandise his own certificate. We absolutely refused to go along with allowing the CCC to merchandise the grain for him. I should like the gentleman to state to the committee his understanding of what we intended by the bill, as it now comes to us in regards to the negotiable certificates used for payment-in-kind.

Mr. POAGE. Mr. Chairman, I think the gentleman's recollection is substantially correct. The subcommittee did feel that we did not want to authorize the CCC to be the redemption agent itself; in other words to pay out the money on the certificate. As I recall it, the sentiment in the committee was that we wanted the CCC to assist the farmer to get his certificate redeemed by somebody who wanted to redeem it. We did suggest that the Department could very well take a man's certificate; that is, the Department was in a position to put it in the hands of somebody who would buy it, more readily than would be the individual farmer. We suggested that possibly the Department could do that, and pass the proceeds on to the farmer but not that the Department itself make the redemption with Government funds.

Mr. QUIE. It is true, then, that the CCC would not purchase the certificate from the farmer, nor would they actually be selling the grains in the market.

Mr. POAGE. That is correct.

Mr. QUIE. They would bring the buyer and the seller together, acting as the agent.

Let us get on to the more controversial section of the bill. It has been suggested by many speakers prior to myself—in fact, the speaker who just preceded me, the gentleman from Florida [Mr. MATTHEWS], that if you took section 3 out of the bill, you would completely ruin the purposes of the legislation.

Let me explain what would happen under this proposed legislation. We have two incentives in the first two sections of the bill. No. 1: Unless a person complies with a 20-percent reduction on his grain and sorghum acres, he could not receive the support level, which we

expect will be \$1.20. That is an incentive.

Mr. Chairman, I would like to point out that the provision of the bill which says that eligibility for price support will be contingent on whether a person complies or not is important to the cash grain farmer. In corn production about 70 percent, it was testified in our committee, is fed back to livestock on the farm itself. So the other 30 percent would be interested in receiving a guaranteed price support. For that incentive they must comply with the program in order to receive that price support of \$1.20. The other 70 percent of the corn would go back into the livestock on the farm where it was raised. For these farmers it is no incentive to receive the price-support level. They would never take a loan on it, because they use that corn to feed to their livestock. The cost of that grain is the cost of production. But we have another incentive in the bill to bring these people into the program, and that is the rental payment, which we have limited to 50 percent in cash and 60 percent in kind. I wish we had not limited it to that amount, but, as I said, this was a compromise, and that was the incentive to livestock farmers who produce their own feed.

What incentive is there in section 3? If section 3 stays in the bill, it allows the Secretary of Agriculture to sell for less than the support level, as low as \$1 for corn. This means that when the farmer who has received payment in kind tries to merchandise it he will not receive \$1.20 for that percentage of his normal production, he will get somewhat less than a dollar for his corn. This would greatly reduce the value of payment in kind as an incentive to divert acres.

If section 3 stays in the bill, you drive down the income of every complying farmer, as well as the income of every noncomplying farmer, so you are going directly in the opposite direction from where you want to go, that is, if we intend to retain our original objective of increasing farm income. This bill is for the purpose of increasing farm income. There are only two ways that can be obtained. One is from the consumer, the other from the taxpayers. Nobody should try to fool you into thinking it comes from any other place. We want to increase the farmer's income because he is at the low end of the economic totem pole now and needs this kind of help. I do not want section 3 to drive his income down.

Second, this would increase the cost to the Government, not decrease it. We have all heard from our taxpaying constituents that they do not want us to spend so much. Here we have a section that would actually increase the cost of government.

The reason I say this is that the farmer who feeds his grain on the farm and has complied with the program would find that during the marketing year, October 1, 1961, to October 1, 1962, that if he puts his grain under loan he can get \$1.20 and he can go out on the market and buy it for \$1 or less. That is

what he would likely do. Right now none of this grain which is fed on the farm is going into Government hands. It has not been going onto the market at all like cash grains. But if section 3 stays in he will sell his grain to the Government for \$1.20 and buy it back for a dollar or less to feed livestock. So 70 percent compliance under this program as Secretary Freeman indicates will mean 3 billion bushels of compliance corn, and that means a \$600 million additional cost added onto the estimated cost of this program.

Another reason why I think section 3 is wrong is that the incentive, as I pointed out before, would be decreased to these farmers who feed their grain back on the farm and take part in this rental payment. They will not know what price their payment in kind will command during the marketing year which begins 5 months after planting. When the Secretary announces he will sell on the market under section 3 the bottom will drop right out. Experience has shown this time and again.

Also, this would give the Secretary of Agriculture a power that could ruin our competitive marketing system if he used it. This is the most dangerous aspect of the whole bill. This is why the grain trade have come in and stated why they oppose the bill.

The National Grain Trade Council expressed its concern over section 3 when it said on March 3, 1961:

We believe that if section 3 of H.R. 4510 is enacted—

1. The Commodity Credit Corporation during the marketing years for the 1961 crops of corn and rain sorghums can arbitrarily establish the market price for these grains and other feed grains.

2. To grant this authority to the Commodity Credit Corporation will create great uncertainty as to feed grain prices since the supply-demand factors of the market will in no sense determine the price of these feed grains—these prices will be determined by the arbitrary decisions of the Commodity Credit Corporation as to when to sell, where to sell, and at what price to sell.

3. Cattlemen, dairymen, and poultrymen, in the absence of an ability to know at least roughly in advance what the cost of feed grains is to be, will be unable to plan in any way for future production of meat, milk, eggs, and poultry. The market for these consumer items will be disrupted to the detriment of consumers, both price-wise and supply-wise.

4. Processors and merchandisers of feed grains, particularly corn, will not attempt to accumulate inventories in anticipation of future needs because of the concern they will share with cattlemen, dairymen, and poultrymen, over the possible arbitrary sale of Government stocks of feed grains.

5. Uncertainty as to the Government's sale policies, if any, on feed grains—where they will be sold, when they will be sold and at what price they will be sold—will, in preventing an accumulation of inventories of feed grains, irreparably damage future and cash trades in feed grains, thus leading to a breakdown in the highly efficient economic low-cost competitive grain marketing system.

6. Congress for some years has been committed to foreign market development programs for all grains. According to news reports, the administration will recommend further expansion of market development programs for all grains. If section 3 of H.R. 4510 is enacted, foreign buyers may not make forward purchases and U.S. export

firms may not make forward sales of feed grains.

This will impair the effectiveness of present or future market development programs. This will greatly curtail the operation of the P-I-K export programs for feed grains under which for the past several years U.S. exporters have made forward sales of up to 6 months with foreign buyers making forward purchases for a similar period and under which exports of U.S. feed grains have been increased all to the benefit of the Government, feed grain producers and other U.S. taxpayers.

7. A serious curtailment of the P-I-K program will remove the world demand for feed grains from the U.S. market places, will depress U.S. market prices, and will force larger quantities of feed grains into Commodity Credit Corporation's inventories, all to the expense of feed grain producers and other U.S. taxpayers.

On March 1 the GTA Daily Radio Roundup said:

There also is some genuine concern on the part of farm grain co-ops as to what this new legislation will mean to farmer-owned storage and the storing and marketing of grain. And—it would be well for the Department of Agriculture to clarify itself on some of these points, as it no doubt will be doing.

On March 3, 1961, the National Association of Grain & Feed Dealers wrote to each Member of the House as follows:

The Grain & Feed Dealers National Association has no established policy as to levels of crop price supports or acreage retirement. Historically, it has been our policy to leave to the administration and farm organizations recommendations to the Congress on price-support policy.

This national association does have policy regarding legislation that will destroy the competitive grain-marketing system. Therefore, we are opposed to section 3 of H.R. 4510 as reported out of the House Committee on Agriculture as follows:

"Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized to sell any corn or grain sorghums during the marketing year for the 1961 crop of such grains at any price not less than 17 percent below the 1961 support price for such grains."

We are opposed to section 3 because of the following reasons:

1. If enacted, CCC during the 1961 crop marketing year of corn and grain sorghums could set market prices at any level down to approximately \$1 per bushel for corn. (Under present statute, CCC is prohibited from making domestic sales of grain less than 105 percent of the support price plus reasonable carrying charges.)

2. The implied threat of sales of feed grain would have disruptive effects upon grain markets. It would be impossible to feed manufacturers, grain processors, and other grain merchandisers to carry inventories because large feed grain sales set by a giant government agency could depress any market price and would discourage forward buying.

3. The CCC could largely replace the present competitive market system.

4. Grain consumers and merchandisers would have to assume greater risks because the legislation would destroy the opportunity to hedge, i.e., free grain markets could not continue to function.

5. It would result in the Commodity Credit Corporation becoming the chief handler of the corn and grain sorghum production in 1961.

This national association is opposed to giving the authority to any Secretary of Agriculture to depress grain market prices, and to destroy the competitive grain marketing system.

I have been told that back in 1937 or 1938 this request was made by Jesse Jones, head of the Reconstruction Finance Corporation. At that time the Commodity Credit Corporation was under the Reconstruction Finance Corporation. When he asked for this authority to sell our surplus stock at the market to reduce the amount of it we found that Secretary of Agriculture Henry A. Wallace refused to go along. The endeavor on the part of the cooperative grain elevators to prevent that action enabled them to organize what is now known as the National Association of Grain Cooperatives. If it was dangerous at that time, it is certainly dangerous now.

If we allowed the Secretary of Agriculture to do that with corn, we might also ask the Office of Civil Defense Mobilization to do this with our strategic stockpile. When they said they were going to sell coconut oil, the price dropped through the floor. If they said tomorrow they were going to sell lead and zinc at the market price, the price of those commodities would drop through the floor. You are asking to give the Secretary of Agriculture the same authority as this on our grain. I do not want the Government to do that to my farmers and I hope you do not want to do it to your farmers.

Also, under this section 3 the Government is the principal buyer and seller of all our grain. Right now we have a competitive market which handles about 30 percent, raised by cash-grain farmers.

But this would put the Commodity Credit Corporation into the business of buying and selling most of our corn and/or grain sorghums. Also, this would put a ceiling rather than a floor on the income of farmers for the price they receive. You know what the price support program is supposed to do. It is supposed to put a floor under the farmers' prices so that they will not go below that point, and the Commodity Credit Corporation is supposed to handle its stocks so that they will stay up about at the support level. Here you allow the Government to knock the prices down below the support level. Let us look and see what the other commodities have and see what a dangerous precedent that is. At the present time under the law, and if you strike section 3, section 407 will apply: No commodity can be sold for less than 5 percent above the support level plus a reasonable carrying charge. This gives an opportunity for the competitive market to operate. I think that 5 percent above is too small a margin. I think it should be greater than that. Do you know what the cotton people did after their A and B program was terminated? They saw how drastic it was to allow cotton to be sold below the support level. At the beginning of this next market year for cotton the Government shall not sell below 15 percent above the support level plus reasonable carrying charges. This is the direction we ought to go to give some help to the farmers, the producers of these commodities. Yet, this section of the bill proposes to go in exactly the opposite direction. I think it completely un-

warranted. We should never allow anyone to have that kind of authority over our market system. I think if we want to increase the farmers' income, we must strike section 3. If we want the first two sections of the bill or the program itself to really work, to really take land out of production and reduce the amount of overproduction and surpluses, then we must strike section 3. If we want to have this bill as an incentive and make it work, section 3 must be stricken.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. I just have two questions which I would like to ask the gentleman. The gentleman from Minnesota [Mr. QUIE] has had a lifetime of experience in farming, as I have had, and I believe he is practical and his feet are on the ground. Now in relation to this authority supposedly to be given to the Secretary of Agriculture—is there any doubt in your mind but what with the \$1.02 cash corn, for example, and held there by action of the Secretary under this law by allowing grain to trickle in, as it undoubtedly would, is there any doubt in your mind but that that would also set the price level on barley, oats, and all feed grains in proportion?

Mr. QUIE. I am certain it would because their market price is related to the price of corn, as it always has been.

Mr. ANDERSEN of Minnesota. Absolutely, and it is based on the cash price of corn and not the price support level of corn.

As the gentleman has rightly said, section 3 destroys for all practical purposes any good that comes to agriculture from this bill in my area.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Washington [Mrs. MAY].

(Mrs. MAY asked and was given permission to revise and extend her remarks.)

Mr. LANGEN. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I yield to the gentleman from Minnesota.

Mr. LANGEN. Mr. Chairman, I am in support of the bill which we are presently considering, but with a number of reservations. As a short-range measure and as a step in the right direction, I believe the bill deserves our support. But as we consider it, we should, I believe, recognize the bill for what it is, namely, a stopgap measure designed to give us time to make a beginning on a long-range program to increase farm income and reduce taxpayer expense.

The overall principles of the bill are good, and could well, in modified form, serve as a basis for the long-range approach that is needed in the near future. They provide incentive to the farmer to participate, incentive in the form of increased price supports in return for a reduction in production and in the form of payments for the retired acres, both in cash and in kind. These principles are identical to those embodied in

proposals which I have made during this and each of the past 2 years. By providing this incentive, the bill makes it at least somewhat attractive for the farmer to participate in a program designed to reduce the surpluses, through reduced production and payments-in-kind, and, therefore, to reduce the taxpayer costs involved in buying and storing these surpluses.

I say somewhat attractive because, in my opinion, the bill does not offer opportunity for a substantial enough increase in farm income. When we consider the drastic manner in which net farm income has been decreasing, while the remainder of our economy has been flourishing as never before, 74 percent of parity on sharply reduced acreage looks severely inadequate. But it is a start.

Another principle of the bill which deserves commendation is the fact that it is, at least on the surface, voluntary. A farmer may participate or not, as he desires, and this is certainly as it should be. Our long-range program should also be based on a freedom of participation.

But whether the bill we are considering today will actually be voluntary in practice is questionable, and here I would raise an objection to a part of the proposal. Section 3, which provides that the Commodity Credit Corporation may sell surplus corn and grain sorghums at prices down to 17 percent below the support price, could well force all farmers to participate in the program, whether they actually desired to do so or not. The threat of such supplies being placed on the market at such low prices might provide a risk only the foolhardy would take.

Section 3 provides the Commodity Credit Corporation with tremendous potential authority. It makes it the sole source of the farmer's achieving even a support price, and makes it potentially possible for CCC to determine the market price. Also, by virtue of these items, it has the potential of making the program more costly, in that CCC would be handling an increased volume of grain.

Another objection which must be raised to the bill is the fact that it does not deal with the problem of imports. During the past 12 years, American farmers have not raised as much barley, oats, and rye as we have used domestically and for export purposes. Yet, surpluses of these crops have grown, due to the entirely disproportionate amounts of oats, barley, and rye which we have allowed to enter this country. We have, in effect, been importing surpluses.

There is a question in my mind as to the wisdom of raising price supports on oats, barley, and rye without doing something about these imports. There is no doubt that prices for these crops are far lower than they should be, and should be allowed to rise. But increased prices could well attract increased imports, with the end result that prices could be driven even lower. This is a serious omission of the bill.

Despite these shortcomings, I believe the bill should be approved, in that it provides a badly needed opportunity for better grain prices and a beginning on the task of reducing grain surpluses. It

should then be our purpose to make a beginning on the long-range farm program so badly needed—a program which should deal with the entire national agricultural unit and provide a climate for increased farm income and reduced taxpayer costs.

Mrs. MAY. Mr. Chairman, as a member of the Subcommittee on Livestock and Feed Grains of the Agriculture Committee I spent a number of days in study of this emergency plan to deal with the feed grain problem, as presented to us by the new Secretary of Agriculture, Mr. Freeman. After the subcommittee and the committee as a whole had made a number of changes and amendments to the original bill as introduced, I joined the majority of the members of the Committee on Agriculture in their vote to bring this legislation to the House as a whole for its consideration.

I would like to say for the record at this point that when the report came out from the committee on this bill my name was not on any of the minority reports, and I would like to make it clear that this was an oversight.

Mr. HOEVEN. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I yield to the gentleman from Iowa.

Mr. HOEVEN. I want to confirm what the gentlewoman has said, in relation to minority views. Due to press of time the minority report had to be filed by midnight of a certain day. Due to some misunderstanding the gentlewoman was not contacted in time for her to express her minority views. I understand that if she had had an opportunity she would have signed the minority views, as expressed by the gentleman from Minnesota [Mr. QUIE] and the gentleman from Iowa [Mr. HOEVEN].

Mrs. MAY. I would like to say that I joined to help bring this bill to the floor for consideration, but for reasons well explained by previous speakers, if section 3 remains in this bill my cooperation with the administration of the new frontier will end at that point.

If this body, in its wisdom—and I assure it will be wisdom—votes to delete section 3 from the bill, then I will give serious consideration to voting in favor of it on final passage. We have a serious and an emergency situation in the present accumulation and buildup of huge stocks of feed grains. A situation that affects every section of our country economically, and the very future of agriculture itself. Though the situation has been with us for many years, constantly worsening, Congress has failed to act affirmatively on it—has remained on dead center—while citizens everywhere plead for action. Some time ago I pledged the people of my area that I would work for and support any plan that seemed to have possible merit to help the situation in any way, regardless of political considerations or pressure from special interest groups. Secretary Freeman, in testimony before our committee has stated that he believes this program will save the taxpayers in the neighborhood of half a billion dollars, and will reduce the buildup of surpluses and at the same

time protect the income of the participating farmer and assure the consumer fair and stable prices for food products. Frankly, the more I study this bill, the more doubts I have about this program accomplishing such worthy objectives. But I cannot oppose for opposition's sake at least a 1-year trial run on a plan that the newly installed officials of the Department of Agriculture have asked for on the basis that it will accomplish the ends we all seek. We have witnessed in previous years the tragic situation whereby heads of departments charged with the responsibility of expediting programs to help certain sections of our Nation were constantly being impeded and held back in implementation of these programs by action or lack of action on the part of Congress, sometimes for purely partisan reasons. We have seen this happen from creation of judgeships to farm policies. I do not ever want a purely political obstructionist vote on my record. But I wish also to make it very clear that if this legislation gets my affirmative vote it is because it has been presented to us by this administration as a short-range, emergency measure that will be in effect for only 1 year. I have never deviated from my position that our long-range objective for American agriculture should be more freedom from Government control rather than steps that take us closer to a maximum of Government control. Unfortunately, today, for those of us who adhere to this principle we have such a tragic situation of built-up surpluses casting a shadow over our hopes for restoration of a free market, that interim emergency steps must be taken before we can even begin to give practical consideration to how best to return to the wonderful days when supply and demand were in some reasonable balance.

But on this point of the bill before being enacted as a temporary measure, let us be sure that it is just that. Those members who represent areas that are feed deficit areas—where much livestock, and poultry production exists, where dairying is a major industry—take warning. Under questioning, in the committee, Secretary Freeman testified that this program will not change beef and pork prices, and might even halt the decline of poultry and egg prices. On a 1-year basis the effect of this program might not have serious effects in these fields. But we must always remember that feed grains are of major importance in the production of meat and milk. Adequate supplies at stable prices must always be available if we are to protect not only the feeders, but the consuming public. On a short term basis, we can only hope our fears of this bill are groundless. But I hope if this body takes affirmative action on this legislation they embark on this course determined to have the political courage and the intelligence to end this program at the end of the first year of its operation. Now this can only be done if we pass a sound, long-range program taking into consideration both the wheat and feed grains in their relation to one another in the whole picture of the farm econ-

omy and surplus situation which is causing its economic headaches of today. Much like a tax titled "temporary"—legislation called emergency—has a strange way of staying in existence, long after the emergency has passed.

If this program is extended beyond its now admitted deadline, my great apprehension is that it cannot help but seriously hurt the livestock and dairy industry, and through them the consuming public, through a scarcity situation.

I earnestly request that this administration in attempting to solve one problem, please make sure that the solution itself does not become a long-term problem, compounding the troubles of today's American farmers for endless tomorrows.

Mr. HOEVEN. Mr. Chairman, I yield 8 minutes to the gentleman from Indiana [Mr. HARVEY].

(Mr. HARVEY of Indiana asked and was given permission to revise and extend his remarks.)

Mr. HARVEY of Indiana. Mr. Chairman, after an unavoidable absence it is a great pleasure to return to the well of this House; also it is a great pleasure to serve on the Committee on Agriculture. Let me say at this point that the members of the Committee on Agriculture are almost without exception dedicated people. They would have to be, because it is a very grueling committee upon which to serve and one that is subject to a great deal of problems and difficulties. I am likewise of opinion that in our very sincere effort to try to solve the various farm problems as they come along, many times we have the unfortunate effect instead of enlightening, of further confusing the rest of the membership of the House; in fact, one of my very good friends asked me today when he learned I was going to take the floor on this bill, whether I was going to further compound the confusion.

One of the things, in my opinion, that has created a great deal of lack of understanding has been the fact that the feed grain problem is associated with livestock. There are many facets to the problem. I know in my State there is a considerable segment of the farmers who grow grain for cash purposes. This area takes in parts of Illinois, Iowa, and Ohio. A different view is held in most cases by the grain and the livestock farmers. In that area corn is grown to feed the livestock and then goes to market in the form of livestock. Historically we have produced most of our own livestock, but I would say to the gentleman from North Carolina, to illustrate how complicated this problem can become, that back in my own county during this past year more than a thousand head of feeder calves were imported from his State to be fed for market on our supply of feed grains.

Historically, many of these feeding cattle have come from the West and we have the opinion of the range cattle producers who really believe, and I think sincerely believe, that cheap grain will make for high-priced feeder cattle for his benefit. All of these conflicting opinions have left many of you confused.

Mr. Chairman, there are some fundamental facts I can leave with you. The great bulk of the income of agriculture comes from feed grain, and the livestock that are the resultant product. I do not go in for statistics very much, but let me say that better than 60 percent or thereabouts, at times as much as two-thirds of all the farm income, is from livestock and livestock products, which makes the market for feed grain.

This is another corollary that is not understood, even by grain producers themselves. The long-range price of livestock and livestock products is determined by the price of feed grain. So I would say to those who figure there is some kind of a quick profit to be made from depressed grain prices, you had better have a second look. We need for a prosperous agriculture a fair price for feed grains, and we need an adequate supply for the cattle and livestock producer in general.

I am going to offer an amendment later, and I do so with some reluctance because my whole instinct in working for the benefit of agriculture has always been to work for things rather than against things. When we finally presented this bill to the full committee I became alarmed because I heard many disquieting reports that this story of the Secretary fixing the price at \$1.20 was a sort of a blind to get the bill through, and that he had other ideas when he finally got it past the Congress. I am not inclined to doubt his word, but I do know beyond any question of doubt that there are going to be forces at work in attempting to drive the price of corn and the associated feed grains higher than they should be and higher than they are if we implement this bill without any ceiling on the price of these products. So my amendment will say that the Secretary may fix a price at between 65 and 75 percent of parity. This will provide the present base price that we have already discussed. It will put a ceiling of approximately \$1.23 on the price of corn, which gives the Secretary the range that he said he thought he ought to have, and would like to have. I cannot impress too much on you the importance of this amendment because I say it is just as bad to get grain prices too high as it is to get them too cheap.

There has been a lot of talk going on in the House about the great emergency that we have. We do have somewhat of an emergency, but I would like to say that we do not have a year-and-a-half or 2-year supply of feed grain in storage in extra supply. The storage investment looks like it is pretty big in terms of dollars, but do you realize we have in reserve only a little over 6 months' feed supply for the country to take care of the great demand that is put upon us. Bear in mind, we have historically carried in reserve about a 4 months' supply which is regarded as a safe margin to do business on. So we must not get our perspective out of proportion as we look at this problem.

We do have a problem, yes. We should face up to it, yes. But, it is not so

dangerous, nor is it so emergent in nature that we need to rush in and do a lot of foolish things and finally find ourselves in a worse position than when we started. Certainly, I think all Members of the House would want to feel, in passing on this legislation, that we were doing something of a constructive nature, even if it is only a short-term bill.

Mr. HOEVEN. Mr. Chairman, I yield 8 minutes to the gentleman from Ohio [Mr. LATTA].

(Mr. LATTA asked and was given permission to revise and extend his remarks.)

Mr. LATTA. Mr. Chairman, may I say at the outset of my remarks that I will have nothing to say about the 15-acre wheat allotment.

Mr. ANDERSEN of Minnesota. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. ANDERSEN of Minnesota. Mr. Chairman, this is a very important bill and I see on the floor scarcely more than those who belong to the various committees on agriculture and the subcommittees on appropriations, and therefore I make the point of order that a quorum is not present. I think these people should be over here listening to further arguments.

The CHAIRMAN. The Chair will count. [After counting.] One hundred fourteen Members are present, a quorum.

Mr. LATTA. Mr. Chairman, at the outset of my remarks I would like to commend our distinguished chairman, the gentleman from North Carolina [Mr. COOLEY] for the expeditious manner in which he has brought this bill to the floor today. I also wish to commend our ranking member, the gentleman from Iowa [Mr. HOEVEN] for his participation in bringing this bill to the floor.

Mr. Chairman, at this late hour, I do not believe many Members are still undecided on the bill presently before us.

Let me say at the outset, that on yesterday when our distinguished chairman, the gentleman from North Carolina [Mr. COOLEY] mentioned that this bill was recommended out of our subcommittee with only one abstention and that was by a Member from Illinois, he was in error. That abstention happened to be by the gentleman from Ohio.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from North Carolina.

Mr. COOLEY. I thought I had corrected that in the RECORD. It was a mistake. I thought I had corrected it. Maybe I did not. If I did not, I am very sorry.

Mr. LATTA. I thank the gentleman. I wanted to make that clear, because the gentleman from North Carolina and I are in full agreement on the point that he mentioned yesterday, which I will point out later in my remarks.

At the time the new Secretary of Agriculture, Mr. Freeman, was before our committee, I mentioned to him that the bill that he presented to the Congress with his recommendation, which has since been stricken out, contained three principles that I thought should be in

any farm bill. First of all, it was at least called voluntary, even though it has been adequately pointed out that this is a voluntary-compulsory measure. Second, it dealt with land retirement. And, I am for that. And, thirdly, it dealt with payment-in-kind.

I am one who believes that the end does not always justify the means. It seems to me that as this bill progressed in our subcommittee and through our committee, certain legislative barnacles, as I wish to call them, became attached to the bill and I think it is time for this fact to be pointed out here today.

First of all, I would like to direct your attention to the title of this bill. It deals with feed grains. It says, "A bill to provide a special program for feed grains for 1961." If you will look at the bill on page 4, lines 17 and 18, you will see that we added another farm commodity in committee—and this was not in the bill that was presented by the Secretary of Agriculture—soybeans; and in line 18 the words "or oilseed crops." Perhaps this is the reason points of order on this bill were waived. We cannot raise a point of order at this time, but I want to point out to you what this little amendment does.

Beginning on line 15, page 4, it states:

The Secretary shall require as a condition of eligibility for price support on the 1961 crop of corn, grain sorghums, soybeans, and any other feed grain or oilseed crops which he may designate that the producer shall participate in the special agricultural conservation program for 1961 for corn and grain sorghums.

Let me tell you what this is. This is cross-compliance, if you please. There are certain gentlemen in this House who have been after this corn-soybean cross-compliance feature in the law for a good many years and they have not been able to secure it, and now they are attempting to accomplish it in this bill, a feed-grain bill. We are going to say to our farmers in the State of Ohio who have been raising both corn and soybeans, that before you can secure price support for your soybeans you must participate in this program for corn. What an advantage this is to those areas that grow only corn. Take out the corn-soybean cross-compliance provision in this bill and I predict you will lose a lot of votes from the corn States of the West. This is a vote-catching gimmick and I object to it in principle and I object to the attempt to bury it in this bill dealing only with feed grains.

Let us take the figure of \$1.20 which has been talked about for the support price of corn. What does this actually mean to the farmer? Is it \$1.20? No; it is really \$1.09. I took the time yesterday to call the Deputy Director, Grain Division of the Commodity Stabilization Service, Mr. George Hanson, to find out; and let me give you a hypothetical case.

A farmer out in your State on October 1 delivers his corn to the grain elevator, and puts it on loan under this program until July 31. Does he get \$1.20? No, he does not. They immediately deduct a prepayment for storage at 11 cents per bushel. So he actually gets \$1.09. The only way he is going to get \$1.20 is to store the grain on the farm or he re-

deems it and sells it on the open market at \$1.20. So we are not talking about \$1.20, we are talking about \$1.09, and let us not fool anybody about that.

I also took the time to look up the market quotations back in Bowling Green, Ohio, on this date. I have the price of corn from three different elevators. At one they were paying \$1.18, if you please, on the open market. At another one, for some unknown reason, they were only paying \$1.07, and at another one they were only paying \$1.07.

This is only 2 cents below what the farmer would actually be getting if this bill became law after he was required to put at least 20 percent of his acreage into the land retirement section of this bill in return for only a 50-percent payment in cash for his retired acreage based on his average production in 1959 and 1960.

Now I come to the point in this bill on which the chairman and I agree. That is on page 4, beginning in line 9 and ending on line 14, the bushelage control feature of the bill. I have said many times, I am unalterably opposed to bushelage controls for agriculture. The farmers in Ohio are unalterably opposed to bushelage controls. In adopting bushelage control, we are saying to American agriculture, "You have progressed just far enough. Do not progress any further, Mr. Farmer, because you are not going to get price support on any additional bushelage you might produce." Do you want to say this to American agriculture? I think not. Let us continue to have progress in agriculture, not retrogression.

Mr. HOEVEN. Mr. Chairman, I yield 6 minutes to the gentleman from Illinois [Mr. ARENDS].

(Mr. ARENDS asked and was given permission to revise and extend his remarks.)

Mr. ARENDS. Mr. Chairman, I am opposed to this bill as presented to us by the House Committee on Agriculture. In its present form we might well ask the question "What does this bill do to the farmer, rather than for the farmer?"

The whole question of feed grains and what should be done about them cannot and should not be considered without taking into account our wheat surplus which is in the greatest supply of all commodities with approximately 2½ years' supply on hand.

I was sorry indeed that on yesterday the Administration Farm Bill proposal was not sent up here as originally planned. Had it been this legislation could have been considered in whole and as to what to do with wheat. Undoubtedly, the message which did not come, dealt with wheat and if I were to hazard a guess whenever it is sent to us for consideration it will include a proposal for a two- or three-price system for wheat. Then might I ask you, what will the effect of such a proposal have on what it is proposed we do here today and what will its effect be on the future of corn?

This bill suggests that if enacted it will save at least a half a billion dollars through a reduction in storage costs. What I would like to ask is how can you

bring about such a reduction in costs when at the same time, through implementing this program, the Government must pay for idle acres and in substantial amount if there is, as has been suggested, as many as 75 percent of the farmers cooperating in the program?

Likewise, if section 3 remains in the bill, and the Secretary of Agriculture is permitted to sell commodities presently in storage at 17 percent below the suggested support price, who pays the loss except Uncle Sam? In other words, I am not at all convinced that this proposal can effectuate any savings at all.

It is stated this is an emergency 1-year bill. Naturally the question that then follows is: What next when the Committee on Agriculture considers permanent legislation? Will the pattern of this bill be followed, and will we be moving directly into the mold of rigid, strict, and absolute controls over agriculture? I cannot, nor do I, believe this is what our farmers want. I think the records of the past clearly indicate that they desire to move toward more freedom and less controls in agriculture.

This bill surely needs amending, and we should attempt to do just that. Many amendments will be offered. I shall offer one which will change the language in the bill which reads: "Average yield per acre for the farm for 1959-60" to "Normal yield for any farm in the case of corn or grain sorghum during the 5 calendar years immediately preceding the year in which the normal yield is determined."

This bill would reinstate the discredited acreage allotment concept for corn and grain sorghums. In the Agricultural Act of 1958, Congress provided corn farmers an opportunity to vote for or against corn acreage allotments. Corn producers threw out by a vote of 254,262 to 102,907 in a 1958 referendum, acreage allotments for corn. Thus, by a vote of more than 2 to 1, corn farmers in 1958 rejected corn allotments and high price supports, and voted for the elimination of corn allotments with a lower level of price supports.

Corn allotments are not practical. They have never worked, and have not resulted in the whole history of farm programs, in the curtailed production of corn. Congress, by its own action in 1954, eliminated the marketing quota provision attached to corn allotments, with the full realization that it would be impossible to enforce. A high percentage of corn is fed on farms, and to police an acreage allotment and marketing quotas program for corn would be literally impossible.

For the Congress now to reinstate these discredited allotments on any basis is unthinkable. If, however, we are foolish enough to reinstate them over the protest of farmers, certainly in all fairness we should use at least a 5-year history from 1955-60 rather than a 2-year history. Many farmers stepped up their acreage the last 2 years, while other farmers continued a good farm rotation. It is extremely unfair to those farmers that followed a good rotation practice to use the 1959-60 years as a base in setting corn allotments. By such action,

we would be giving a bonus to those who have caused the problem, and penalizing severely those that have not caused the corn surplus problem.

Therefore, in fairness to all corn farmers, I would like to submit an amendment to this feed grain bill which would make it mandatory on the Secretary of Agriculture to use a 5-year history rather than a 2-year history. I want it understood that I am against corn allotments because farmers voted them out, but if the House is now going to vote them back in, certainly it should be done on a fair and equitable basis.

This farm question is a complicated problem. As we have learned over the years, there is no easy answer to it and hasty action on our part at this time might prove to be more detrimental than helpful to our farmer.

So that you might know or catch a glimpse of what may be ahead in the future, I would like to read a short excerpt which appeared in the Wall Street Journal on Monday, March 6, under the heading: "Farm Philosophy." Listen as I read:

Though the objectives of Mr. Freeman's plans are readily discernible, just how far he will dare go remains uncertain. Some of the ideas being tossed at him almost defy comprehension in their complexity, yet they come from reputable sources. Grapple, if you will, with Mr. Cochrane's proposal to control the production of feed grains—corn, oats, barley, rye, and grain sorghums.

Feed grains pose a special difficulty because many farmers feed most of these grains to their own livestock and sell the balance. The problem is how to measure what is fed to animals. Mr. Cochrane suggests that feed grain nutritional values be converted into something called "total digestible nutrients," or TDNs. The Government, with advice from interested groups, would calculate (1) what level of prices would be fair for a given year for all livestock; (2) how many animals of various kinds would have to be marketed to achieve these prices; (3) how many TDNs it would take to produce that many animals; (4) allot TDNs to feed grain producers according to production history of their farms.

A conversion factor for each would convert the TDN allotment to bushels. That is, a bushel of corn would be worth so many TDNs, oats would be worth about half as many, and so on. A farmer then would be allowed to grow whatever feed grains he pleases as long as the total does not exceed his TDN allotment.

RURAL ARITHMETIC

When planting time comes, the farmer converts his TDNs to bushels of grain; the bushels are then converted into acres on the basis of average yields in the area. Finally, the farmer sows. When crops begin showing above the ground, an Agriculture Department agent computes the acreage planted to each grain to one-hundredth of an acre. If the farmer has done his arithmetic correctly, he may do whatever he wishes with the feed grain he harvests—feed it or sell it. If the farmer exceeds his acreage, he must agree to destroy the overage or pay a stiff penalty.

At the end of the marketing year, Government economists would review the nationwide results. If too many animals were marketed, the national TDN allotment would be reduced. In theory, this would make feed scarce causing a price rise that would prompt a cutback in livestock production. If too few animals were marketed, more TDNs would be decreed.

Again, I ask that this House either carefully amend this bill or defeat it.

—This I feel we must do if we truly intend to be of help to the farmer now and in the future. Let me repeat, in its present form I certainly oppose passage of this legislation as presented to us by the committee.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from North Carolina.

Mr. COOLEY. I agree with the gentleman when he suggests the 5-year period instead of 2 years. I pointed out it would be very difficult for the Secretary of Agriculture to obtain accurate information. But, would the gentleman be agreeable to an amendment which would at the proper place provide "and to give due consideration to tillable acreage, crop rotation practices and type of soil and topography?" The gentleman yesterday pointed out how important it was to take into consideration crop rotation practices. I understand in some States and, perhaps, in the gentleman's own State, the records are more complete and more accurate than they are in other States, and this would give the Secretary of Agriculture the right to take into consideration the very things that the gentleman appears to be interested in. We will offer this amendment, or someone will offer it, and I hope it will be acceptable to the gentleman on this point even though there might be other objectionable features in the bill.

Mr. ARENDS. I am pleased to know that the gentleman is looking in the right direction, and I appreciate his comments this time. I shall, however, offer my amendment in the hope it will be favorably considered by the House.

Mr. HOEVEN. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. KYL].

(Mr. KYL asked and was given permission to revise and extend his remarks.)

Mr. KYL. Mr. Chairman, I have taken these 2 minutes, first, to ask a question and, then, to make a very brief statement. The question is directed to the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY]. Is this program designed to raise or to lower the cash market price of feed grains such as corn?

Mr. COOLEY. It will increase the loan price to the cooperator, but it would leave the market prices available to non-cooperators substantially about where they are.

Mr. KYL. The purpose is to leave the price where it is?

Mr. COOLEY. That is for the non-cooperator, but for the cooperator, the price would go from \$1.06 to \$1.20.

Mr. KYL. I am asking about the market price and not about the selling price or the loan price.

Mr. COOLEY. No one has any way of knowing exactly what the market prices will be because that would depend on the supply of corn and other feed grains moving in the markets. The bill would prevent the Commodity Credit Corporation from selling good corn at less than \$1 a bushel.

Mr. KYL. But is the purpose of the bill to raise or lower the cast market price on corn?

Mr. COOLEY. The purpose of the bill is to bring about a reduction in the production of corn and feed grain, and to bring about a decrease in the amount now in storage. The bill we are talking about is something that will do those two things.

Mr. KYL. As the thing is designed, it seeks to promote compliance by placing penalties on those who do not comply. That, as the gentleman says, prevents the farmer from receiving any benefit if he does not comply. But the man who complies with the program takes payment in kind and finds himself penalized.

Mr. COOLEY. He would not be penalized if he takes payment in kind.

Mr. KYL. I thank the gentleman for his answer but it does not enlighten me.

For the past 8 years I have been hearing from members of the opposition party the continued statement that if we would get rid of the Secretary of Agriculture our farm problem would be solved.

During the recent campaign we heard presentation of glamorous programs guaranteed to solve the farm problems.

After election the President appointed taskforces, so called, to present solutions.

In spite of all—we are now presented a temporary emergency crash program for 1 year. The proponents say in effect: This is the best we can do in a hurry. We will start immediately to work on a long-range program.

All of which proves that (at least so far as agriculture is concerned) the new frontier bunkhouse is still full of "bunk."

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(Mr. KYL asked and was given permission to revise and extend his remarks.)

(Mr. SCHWENGEL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SCHWENGEL. Mr. Chairman, it shall be my purpose to seek, if possible, to shed some light on what is not right with the proposed legislation to deal with a farm problem that is very grave today and may become a crisis before long.

It must be noted and admitted that the total farm problem is a complex and difficult one; one that demands thorough and complete study by experienced and competent farmers, by able and interested agricultural leaders, and by knowledgeable students and experienced researchers. It seems to me, it is abundantly evident that the situation calls for new plans and ideas that involve serious and thorough research to determine to what point in our storage program we actually have a surplus, and to what point the so-called surplus should be allowed to affect the free market of feed and grains. Results of this kind of a program of study and research which is very much needed will take many months. A task force, no matter how much talent, experience and under-

standing of the problem it has within its membership and even if it were completely immobilized from political pressures, could not possibly come up with adequate answers in a matter of weeks or even several months. Therefore it must be concluded that this bill is the result of very inadequate study.

So I would like to suggest that the great Committee on Agriculture consider now setting up a qualified, completely bipartisan, task force with authority to study and investigate all the problems in all the areas that affect agriculture in every part of the United States, and report back to Congress at some future date with some studies and information that could result in some adequate and fair legislation on the more complex problems.

This should not mean, however, that we should not try to do something now that would be good for agriculture and good for the country. There are many people, especially in the organized farm groups who have been thinking about this, studying this problem and who have ideas about some plans that would be good for America and could have a salutary effect on the difficult surplus problem.

A suggestion that these farm leaders have brought forward for our consideration is called a crop adjustment act or a conservation reserve program. I like this approach because it is not only good for farmers but it is good for all Americans.

When we aid and abet programs that feature conserving the water, soil, and replaceable natural resources, we are participating in a program that is good for all of America.

An adequate conservation program that features saving and building soil is a program that will benefit every living person within America and will strengthen the whole of our economy and provide assurance for adequate food supply for those who come after us.

Mr. Chairman, during and after the election, in visiting with the farmers from the First District of Iowa which I have the honor to represent, I found complete support by all farm leaders for this program.

Representatives of the National Farmers Organization, the newest of the several farm organizations in my District, indicated to me that they were in complete support of the philosophy suggested in a bill that I have since introduced, H.R. 2736.

The Farmers Union members in my district, with whom I have visited, see much merit in this approach as does one of the older farm organizations—the Grange.

The Farm Bureau from my district expressed complete confidence in this approach. Every national affairs committee from every Farm Bureau in every county in my district has indicated enthusiastic support of this approach.

The bill I introduced on January 16, 1961, H.R. 2736, provides legislation to expand the conservation reserve program under the soil bank to 80 million acres. This feature would seek to amend the Soil Bank Act and the Agri-

cultural Act of 1956 in order to make necessary adjustments in the Nation's agricultural economy and I believe would tend to bring supply more nearly in line with demand.

The bill would provide a \$10,000 annual payment limitation to any one producer in any State.

The 10 amendments included in my bill are, as follows:

First. Extend the period during which the Secretary of Agriculture is authorized to enter into conservation reserve contracts through 1969;

Second. Change the authorized period of contracts for the establishment of tree cover from 15 to 20 years;

Third. Provide for a limit of 80 million acres under the conservation reserve program in lieu of the monetary limit as now provided in the Soil Bank Act;

Fourth. Make land owned by the State and Federal Government ineligible to be placed in the conservation reserve program;

Fifth. Provide for a \$10,000 annual payment limitation to any producer within any State;

Sixth. Authorize the Secretary of Agriculture to make annual payments in cash or by the issuance of certificates redeemable in wheat or feed grains;

Seventh. Require the Secretary of Agriculture to formulate and announce the conservation reserve program not later than March 1 of the year preceding the first year of the contract period;

Eighth. Require producers who enter into conservation reserve contracts to agree to carry out farming operations on the entire farm in accordance with good farming practices;

Ninth. Provide for a 100-percent civil penalty instead of 50-percent as now provided in the Soil Bank Act; and

Tenth. Provide that for a period of 5 years after such lands are first devoted to agricultural production, newly irrigated or drained lands within any Federal irrigation or drainage project or lands reclaimed by flood-control projects shall be ineligible for certain crop loans, soil bank payments, price support benefits, and other farm payments.

After more thought and after further counsel with agriculture leaders in the Government, on the committees and with the leaders of farm organizations in Washington, I have introduced another bill, or a refined version of my original bill. This bill was introduced February 13, 1961. It is H.R. 4267.

This bill differs from the original bill in that it authorized taking out of production up to 100 million acres of agricultural land.

This bill provides, also, a plan to fit the farm output to market needs and at the same time liquidate the apparent accumulated Government stock in surplus, by providing a payment-in-kind feature.

After counsel and advice with the leaders, I have preferred to call this the Cropland Adjustment Act of 1961 but I want to emphasize that this plan also is a conservation plan. In this area, it would be just as effective and probably more effective than the original bill I introduced on this subject.

As I see it, Mr. Speaker, this plan, if enacted into law, would be a major step toward better farm prices and an increase in per family farm income as well as a means of reducing the tax cost of the farm program.

My bill calls for the Secretary of Agriculture to make an annual determination of the overall acreage adjustment of feed grains, wheat, soybeans, and flax necessary to bring the total estimated annual production plus the anticipated disappearance. The Secretary shall also establish annually the percentage of cropland which must be placed under contract to qualify for price support of these commodities. This is the payment-in-kind feature.

To be eligible for price supports on wheat, feed grains, soybeans, and flax, producers must participate in the cropland adjustment program. Cropland already in a retirement program shall be counted in determining compliance with this requirement. Producers of other commodities may also participate. Any cropland retired under the program in excess of the minimum requirement for price supports must be placed under contract for at least 3 years.

Other features of this bill, H.R. 4267, include:

First. Cropland adjustment payments shall be made at a level which will encourage voluntary participation to attain the desired result;

Second. Annual payments may be made in cash or in kind. Emphasis would be placed on payment in kind with care to minimize disturbance of the market price structure of grain;

Third. Cropland retired under the program must be in addition to land normally left idle or fallowed.

Fourth. Acreage retired under the program may not be harvested or grazed.

Fifth. A maximum limit shall be placed on the percentage of cropland acreage that may be retired in any county after allowing for minimum acreage required for price support. Acreage retired under previous programs shall not prevent participation in the annual adjustment program; and

Sixth. Wheat acreage allotments shall be terminated.

Seventh. The price support level on corn shall be left unchanged and related to the average price received by farmers during the immediately preceding 3 years with a floor of 65 percent of parity, the same as the Agricultural Act of 1958. The support levels for other food grains and wheat shall be comparable to the level for corn with adjustments for the difference in weight, nutritive value, buyer preference, and supply-demand conditions. The support price for wheat of the 1962 crop shall not be less than 120 percent of the support price for corn of the 1962 crop.

Eighth. Adequate measures shall be taken to protect farmers from the competition of Commodity Credit sales from accumulated stocks.

Now, Mr. Chairman, I should like to point out that we have been in session now a long time. The record shows that the Agriculture Committee met first to organize on February 20. Since that

time, the committee has had 24 formal hearings, with only 9 hearings on H.R. 4510—the bill before us.

Mr. Chairman, it is hard for me to understand why, when all the farm organizations in America are in complete support of the philosophy embodied in a conservation reserve or cropland adjustment program act, the great Agriculture Committee of the House has not even had 1 day of hearing on this proposition. This is all the more amazing when one thinks about other endorsements—political endorsements that have been made on this proposition.

There is a document, bearing the date of July 12, 1960, called "The Rights of Man." It is the Democrat platform adopted in Los Angeles. Nowhere do I find any opposition reflected in this pamphlet to what I have proposed in both H.R. 2736 and H.R. 4267, for American agriculture. Further the record also shows that many of the important leaders of the Democratic political party indicated sympathetic interest in this approach to the problem during the campaign last fall.

At another meeting soon after the above-mentioned document was offered, another great, and I think the greatest political organization in America, met in Chicago and there the representatives of the people wrestled mightily with the great problems that confront us on many fronts. The Republican resolution committee, after thorough and complete study of the problem and proposed answers, endorsed the idea of "Conservation Reserve Program" and/or "A Cropland Adjustment Act."

But, this great legislative body, elected to represent the people and to reflect their interest and their ideals and ideas has not even seen fit to give consideration to some of the proposals that I think of great merit and can, in the long run, do more for the farmers of America and at the same time be in the public interest.

Mr. Speaker and colleagues, there is a demand everywhere in the agricultural communities for a conservation reserve program. It is something we need whether we pass this legislation before us or not.

Since so much has already been stated on the bill before us, and since it is quite apparent to me that this is stop-gap legislation, that it is politically inspired, that it was authored apparently in haste and with the endorsement of a task force that could not possibly understand all of the complex problems, it might be advisable to defeat this legislation or send this bill back to the committee and ask the committee forthwith to come to grips with the real problems in a more realistic and a more adequate way.

Certainly, section 3 of this bill ought to be defeated and it ought to be noted that authorities in the field of agriculture, who understand this problem better than we do and who have more reason to be interested in this than we do, apparently are unanimous in their opinion that this legislation holds very few, if any, answers to the complex and difficult problems that have presented themselves in this age of change through improved techniques and greater knowl-

edge and ability to produce from the American soil by progressive, forward-looking, and ingenious farmers in a great free land.

In addition, Mr. Chairman, I should like to place in the RECORD a portion of a letter I received from a representative of one of the great farm organizations in my State. He writes:

Between February 27 and March 3, the Iowa Farm Bureau held nine district meetings to discuss national policy on farm problems. These meetings were attended by more than 800 farmers and farm wives—people who actually live on Iowa farms. At all of these meetings considerable discussion was held on the various farm programs. The proposed emergency feed grain program was discussed in detail. At first many people felt it had some merit, but after the discussion in every instance people did not seem to think it was an answer to our farm problem. Farmers are concerned that no provision is made for wheat in the bill. Livestock farmers certainly do not see any merit in the bill. There was general feeling that a permanent conservation and land retirement program was needed immediately. Temporary programs such as the proposed feed grain proposal might further complicate the situation.

Mr. COOLEY. Mr. Chairman, I yield the remainder of the time to the gentleman from Texas [Mr. POAGE].

The CHAIRMAN. The gentleman from Texas is recognized for 24 minutes.

Mr. POAGE. Mr. Chairman, we have had a rather broad discussion of the pending bill. Perhaps we ought to go back and review just what we were trying to do.

I think it has been outlined several times, probably correctly, by other speakers, but shall I say that our audience changes from time to time, and some of those who were here yesterday are not here today, and vice versa.

I think we must bear in mind in the first place that the U.S. Government now has an investment of over \$4 billion in feed grains. Most of this is corn, with a very substantial amount in grain sorghum. The storage costs several hundred million dollars per year and interest at only 3 percent is another hundred million dollars. There is no marketplace for this grain. The grain is not needed. It benefits no one except the storage people and the warehousemen. We are presently paying nearly a half billion dollars a year for this storage of unneeded feed grain. The existence of this stockpile depresses the value of every bushel of grain in the United States.

The administration wants to stop this senseless buildup, and so do I and so do most of the farmers and so do most of our taxpayers. I believe that if we can reduce the rate at which grain moves into storage and ultimately reverse the flow so that more comes out than goes in, we can ultimately save billions of dollars to the taxpayers.

We believe that such a policy would result in better income for the grain farmers and in the long run for the general situation of the livestock people.

How does this bill attempt to bring about this change? Basically, it proposes to use the surplus we now have to pay for reduced production, to make reduced production desirable.

In spite of all that has been said, this is not a crop control bill.

It does not require anybody to reduce the production of anything. I want you to bear this in mind and place it against the statements to the contrary which have been so recklessly made. I repeat, this bill does not require anybody to reduce his production of anything if he is satisfied to take the market price.

Mr. MASON. If.

Mr. POAGE. Yes, if he is satisfied to take the market price. If he wants to be entirely free, if he honestly believes—and I know there are some who honestly do believe—that the U.S. Government should not do anything for agriculture; if he is honest about that and wants the Government to leave him alone both in his production and in his marketing, the Government is willing to do it. The Government is willing to say to him that he can plant every acre of his land in feed grains and he can get just what he can on the market, and no more; we are not going to help him get anything more. I think that is probably a very fair proposition.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. POAGE. When I have finished my statement I will yield.

Mr. ANDERSEN of Minnesota. I wish to clear up that particular point just a little.

Mr. POAGE. I will yield to the gentleman when I have completed my statement. I do not want to be discourteous, to my good friend from Minnesota, but I know if I once start yielding the chances are I will not be able to complete the statement. So I shall be glad to yield to the gentleman when I have completed my discussion.

But if the farmer wants support at the hands of his Government we say that if he is willing to make some concessions, if he is willing to help work down this great stock of feed grains by reducing his planting by at least 20 percent we will give him some assistance which we think will be very helpful. We will guarantee him a much better price for his grain than he is getting right now, and we will assure him a return from his land which we think will be much greater than he can get if he plants it to feed grains as a noncooperator. We will give him 50 or 60 percent of what he would normally expect to grow on this land without the expense of making a crop, if he will but conserve that land. So we think we are offering some substantial inducements in this program. These inducements will undoubtedly be adequate to encourage most growers to participate.

Yet we realize that when we establish a support price for cooperators there is an opportunity for noncooperators to sell their product in the market just below the support price, no matter where the support price is. If you offer a support price but put no restrictions on one group of producers that group with no restrictions and no responsibilities will sell in the market just below the support price. We say we will fix a support price of \$1.20 for corn and other feed grains in proportion. The noncooperators

would come in and offer his grain at the equivalent of \$1.18. So it is obvious that the program cannot work unless we make this practice of overplanting unprofitable. Since the noncooperator will have done nothing in the world to bring about the higher price we anticipate, it seems clear that we owe him no assistance in giving him any higher price.

The bill proposes to discourage these noncooperator discourage this destructive practice of overplanting by authorizing the Secretary to sell surplus stocks at market price, but not lower than \$1, which is the present average price, whenever the Secretary finds it is advisable. Thus the noncooperator will not be disturbed so long as the price of grain stays where it is, but should the program cause the price to advance, we authorize the Secretary to hold the market about where it is right now until all cooperators' grain has been sold, and thus save a tremendous loss to the taxpayers which the Government would otherwise sustain on grain on which it has a loan.

Not only would this action on the part of the Secretary save the taxpayers money, but it would encourage cooperation. Surely, if we are to have a program at all it must encourage enough participation to get real reduction in production, or it will be far worse than useless. That is all there is to this much-criticized section 3.

I know that many people have wired and written and called about this section. Many of them have communicated with me. I have had to ask each one of them, "What would you put in this bill in place of this section to secure a good degree of cooperation?" That question has been asked on this floor, and nobody has answered it here, and none of my correspondents has answered it. I have had some say, "Surely there must be some other way of handling this," but nobody has suggested what that other way of handling this is. There is not anyone who has answered that question. Until somebody gives you an answer to that question I do not believe you are justified in assuming that there is any way of getting the needed compliance without section 3.

I have observed that a great many people have given a lot of lip service to this bill. They say "I want to help the farmer." They then go on and in effect although not in direct words say: "This bill will help the farmer, and I want to be counted as a friend of the farmer, but I want to put a time bomb in the bill which will completely destroy its effectiveness; something that will take out the heart of the bill and all of the enforcement of the bill. I want to fix it so that the man who does not comply will be really the one who will make money out of the bill." That is the man who stores the grain.

Now, I have some extremely good friends in the storage business. Every one of you have. All of those fellows have made enough money from storing U.S. Government grain that they can afford to call or wire you, but

very few of my farmers can afford \$1.40 to send a telegram. However, many of these storage people can afford the \$5.40 to talk to you on the telephone. There are about \$60 million involved in additional storage in this bill which we will save if we can keep this section in here. Of course, if you can fix it so everybody will grow as much grain as they have grown in the past, there would be more grain stored. You will not cut down the amount of the cost of this unnecessary storage.

I ask, Mr. Chairman, who have you been hearing from about this bill? Who has been talking to you? Who has been making suggestions about section 3?

Someone asked, Why would this not work without section 3? Let me take an illustration of a farm I know so well consisting of 540 acres in west Texas, in the grain area, the feed-grain area. It has about 50 acres of feed-grain history. In other years they have had 300 or 400 acres in grain but not for the past 2 years. That farmer can only get paid for 20 acres if he goes into the program. He can only get \$1.20 on his normal production on about 30 acres.

That is not much of an inducement for a 500-acre farmer to go into the program.

But if he stays out, without section 3, he can plant, and he would plant, every acre except his cotton allotment, which is 150 acres, leaving him about 400 acres that he would plant in grain sorghums. That 400 acres will offset what a dozen farmers around him will contribute in the way of reduction by reducing their acreage. Under this bill the man who complies is not required to take out more than 20 percent of his grain acres. He cannot take out more than 40 percent, therefore he cannot make a great dent in the surplus. But the man who does not comply, in order to make money must become a big producer. The man who does not comply is going to put practically every acre into feed grain because that is the way he makes his profit.

He goes into feed grains in a big way and his increased plantings destroy what a great many compliers have done. He is able to produce a substantial volume of feed grain and bring it onto the market where he offers it just under the support price. If the support price is \$1.20, he offers it for \$1.18. As long as there is need for feed grain he is going to sell it and not comply.

Of course, it is true, as has been said, that every bushel of compliance grain is going into the Government loan just so long as there is noncompliance grain on the market. Now, if you want to save the Government from acquiring a vast stock of grain under loan, the thing you must do is to see that there is not a great deal of noncompliance grain coming onto the market, because if there is anything like enough noncompliance grain coming in to satisfy the needs of the market, there never will be any of that compliance grain moving out of Government hands. It will stay there and make good business for some storage man for a good many years to come. It

will likely have eaten up more in storage than the grain is worth when it is sold. That is the way this thing works.

Now, those of you who want to pass a bill for the benefit of the farmer should bear in mind that it cannot benefit the farmer unless you get a substantial reduction in production. Everybody says that we have got too much surplus grain on hand. Oh, even those organizations which oppose doing anything, even those groups who do not want anything except lower and lower support prices and more and more production, say we should not have so much in storage. You know that. There is not a man or woman on this floor who does not feel that we should cut down this storage. Well, you have a chance to cut it down. You have had chances before to cut it down. You voted them down. Oh, yes, you voted previous reduction programs down. You have a chance this afternoon to cut production. The question now is, Are you going to vote to cut production or are you going to vote to simply store more grain for some people who have already done right well at the hands of our Government? I do not think we owe anyone an obligation to continue to produce grain, just to enable someone to store more grain.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Oklahoma.

Mr. BELCHER. I understand the gentleman does not feel that without section 3 the bill will be of any great value; that they might even produce more corn than we are already producing.

Mr. POAGE. I have great fear in that respect. I certainly fear that if you take section 3 out of this bill, you will have certainly taken the most effective tool the Secretary has with which to make a success of this program. Are you willing to tie the hands of your Secretary? We are not asking that you do something revolutionary for the Secretary. As has been suggested here, sure, we are asking that you let the Secretary sell corn at the market price, even though that market price stays at \$1. It is \$1 now. We are not talking about driving anything down. The market price is \$1. The Department of Agriculture figures for the 15th day of February, just 3 weeks ago, showed the average price in the United States to be \$1. Now we say to you, "The noncompliers are not going to do anything to help raise this price, so we will keep this price where it is now, and if a farmer thinks that he can make a profit by noncompliance, we say to the noncomplier, "You will be getting just as much as you are getting today. "We are not driving your price down, but we are not going to let you share in the increase which those compliers are going to bring about." Is that not fair? Is there anything unfair about this?

Let me call your attention to this further thing. They say, "Oh, the Secretary ought not to have the right to depress the market." Let me call your attention to this fact, that right today the Secretary can sell grain in the market at \$1.12 a bushel. We are only asking that he be allowed to sell it for 12 cents a

bushel less than the present figure at which he can sell it. Now, is there any difference in principle in letting the Secretary sell grain at \$1 and the principle of letting the Secretary sell it at \$1.12 a bushel?

I ask you about the principle, my friends, those who are so disturbed about the principle. There is a 12-cent difference, but there is no difference in principle.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. ULLMAN. The gentleman is making an excellent statement, and I could not agree with him more. I think it is most essential for the farmers of America that we pass this bill. I would like some indication from my friend, however, on one point, and that is what protection do those farmers have who have placed their feed-grain acreage under the soil-conservation program during the past years and whose contract has now expired?

Mr. POAGE. They have the protection of the Soil Bank Act, which provided that if they placed allotted acres into the soil bank their allotments will be preserved and that the history of their production would be preserved.

Mr. ULLMAN. They will not be penalized, then, for having their acreage in reserve?

Mr. POAGE. As I see it, they cannot be penalized, because the Soil Bank Act gave them the protection of the history that they had at the time they placed it in there.

Mr. ULLMAN. So their 1959 to 1960 production will be considered as if they had that soil bank acreage included in feed grains at the time?

Mr. POAGE. That is right, if it was put in as feed-grain acres.

Mr. ULLMAN. I thank the gentleman and commend him again for an excellent presentation.

Mr. POAGE. I want to bring out one more point. It has been suggested that this bill might work a hardship upon the livestock industry and upon consuming areas, and there has been particular reference made to the chicken industry. I want to call your attention to certain facts. I think I have the figures here, but do not have the time to hunt up all the details.

In 1956 corn was supported at \$1.58 a bushel. That is almost 50 percent more than the \$1.06 price at which it is supported now. At that time I sold calves for 35 cents a pound, and I will do well to sell those same calves for 25 cents this spring. My constituents sold broiler chickens for 17 and 18 cents at that time, and they will do well to get 12 or 13 cents right now. And yet I say to my friends from the big cities the cost of the grocery basket was about 18 percent less at that time than it is today. You know how the cost of living has gone on up, up, up as the price of corn has gone down, down, down. Do not tell me in the face of these indisputable facts that raising the support price on corn means a loss either to the chicken people, the livestock people, or the consumer. History shows a different set of facts.

I call your attention to the fact that unless you leave section 3 in this bill, these chicken people are probably going to be put in a squeeze. If you leave section 3 in this bill, they will see that for the immediate future they will probably be able to continue to buy a substantial amount of feed grains at a rather low price, with a certainty that the price will be higher this fall.

There is no factor known to economics which will so strengthen the market for chickens or for livestock as a feed grain situation like that. The greatest strengthening factor you can find for any animal product is a relatively stable feed grain price at the present with the prospect of an increased price down the line in the future.

If you want to be of help to the chicken people, to the poultry people, to the dairy people, to the livestock people, you must vote for this bill and for section 3. If you want to give to the American consuming public the same opportunity that we had when our wives were able to pay the grocery bill for some 15 or 20 percent less than we are having to spend today, then recreate the conditions that existed at that desirable time.

I do not have to tell you what my conclusions are. I am merely telling you what the facts of history are. You can argue against conclusions but you cannot disprove the facts of history.

I submit that this bill offers an opportunity to do something now for farmers without any compulsion, without any degree of Government interference with their business, with the opportunity for every man to remain an absolutely free agent, if he wants to, but with the opportunity to cooperate with his Government to his own financial advantage, if he wants to.

The CHAIRMAN. All time has expired.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I renew my point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-four Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names.

[Roll No. 11]

Ashley	Davis, Tenn.	Kluczynski
Ashmore	Dawson	Machrowicz
Bailey	Diggs	Miller, N.Y.
Bennett, Mich.	Dooley	Rabaut
Blitch	Evins	Reece
Bonner	Fallon	Scherer
Buckley	Frelinghuysen	Springer
Cahill	Hoffman, Mich.	Steed
Casey	Jensen	Tollefson
Celler	Kilburn	Wright

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. IKARD of Texas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 4510, and finding itself without a quorum, he had directed the roll to be called, when 400 Members responded to their names, a quorum, and be submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Clerk will report the committee substitute as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection:

"(c) Notwithstanding any other provision of law—

"(1) The level of price support for the 1961 crop of corn shall be established by the Secretary at such level not less than 65 percent of the parity price therefor as the Secretary may determine. Price support for corn and grain sorghums shall be made available on not to exceed the normal production of each eligible farm as determined by multiplying the harvested acreage of corn and grain sorghums on the farm by the average yield per acre for 1959 and 1960.

"(2) The Secretary shall require as a condition of eligibility for price support on the 1961 crop of corn, grain sorghums, soybeans, and any other feed grain or oilseed crops which he may designate that the producer shall participate in the special agricultural conservation program for 1961 for corn and grain sorghums to the extent prescribed by the Secretary."

Mr. HARVEY of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARVEY of Indiana: On page 4, line 8, after the words "65 per centum", insert the words "nor more than 75 per centum."

(Mr. HARVEY of Indiana asked and was given permission to revise and extend his remarks.)

Mr. HARVEY of Indiana. Mr. Chairman, the nature of this amendment was explained a short time ago when I had time during general debate.

The Secretary said when he appeared before our committee that he would like authority to fix the price of corn at \$1.20 a bushel. Historically the House has never resorted, except as I understand in the case of dairy products, to the policy of fixing price in terms of dollars and cents, but has always adhered to a policy of fixing it in terms of a percentage of parity. In this instance we did fix a floor of 65 percent which is the present level of price support for corn. My amendment would provide a ceiling of \$1.23 a bushel or 75 percent of parity for corn which gives the Secretary the range that he deems desirable within which to fix the price of corn.

I think it is very important that we do this as a matter of policy in the House in considering this particular piece of legislation. I should appreciate it very much if I may have your support in making this very important decision.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment was considered by our committee and rejected. The fact and the truth is that the Secretary of Agriculture first proposed to fix the price of corn, as the gentleman from Indiana [Mr. HARVEY] has said, at \$1.20. I did not like the idea of fixing price supports at a dollar-and-cents level and so we changed the bill in the committee to provide that he would fix it at a percentage of parity which would turn out to be \$1.20 per

bushel. The \$1.20 figure is 74 percent of parity. We have the commitment and the statement before our committee by the Secretary of Agriculture that this is the figure he will use.

I have some faith in the gentleman who is now the chief agricultural officer of our country. He has made a commitment. Why should we now adopt an amendment which would provide that he may not go beyond 75 percent of parity when he says he is not going beyond 74 percent of parity?

I object to this amendment for many reasons; first, because I am basically a high support advocate. I have never advocated high supports or any supports on the unlimited production of any agricultural commodity. I do not believe it is sound. I do not believe that this Congress should approve price supports on unlimited production of any commodity, I do not care where it is grown or what the commodity is.

Also I am objecting to it because cotton is grown in my area and the Secretary recently just fixed the price support on cotton at about 82 percent of parity. Why should we freeze the price of corn at 75 percent of parity and put cotton at 82 percent of parity? Sugar beets, sugarcane away above 75 percent of parity; wool far above 75 percent of parity; tobacco above 75 percent. And yet you pick out a very important crop—corn. Why would you want to freeze corn at 75 percent of parity and then have to go back home, as our friend, the gentleman from Oklahoma, Mr. BELCHER says, and sit down on the wagon tongue and explain to the corn grower why you froze him at 75 percent of parity and let cotton go to 82 percent and sugar beets and wool and other commodities go away on up, some of them even far above 90 percent?

This bill embraces an emergency program we are proposing, and it cannot be compared to any other program that any of you from the city districts have heretofore voted on. This is something entirely new.

I do not approve of many of the features of this bill, but I am trying to look at it realistically. We have a problem of great magnitude. The Government has more than \$4 billion invested in feed grains. What are we going to do about it, nothing? This is the only possible thing we can do. We do not have time for a referendum, we cannot have a control program. We must adopt a program such as we have proposed—we are told that the program now in effect, if we do nothing, will cost in this year of our Lord 1961 \$1.5 billion—to change this trend, to minimize this cost, to avoid these gigantic losses. You have just as much responsibility as I have.

Why should you go back home and say, "I voted against this program which the Secretary of Agriculture said he honestly believed would save the taxpayers of America half a billion dollars." Maybe it will not. Of course, it all depends on the volume of participation.

I could justify a vote against the bill if I lost sight of the overall problem that is involved. I do not like this business of bushels and bales and parity, just like the gentleman from Ohio [Mr.

LATTAL. I agree with him 100 percent. But I am not going to vote against this bill just because of that. There are other things in here that I can object to, but I am appealing to you not to vote against the bill because some grain dealers or mill operators are fearful of what might happen.

I know that the Secretary could lower the price to perhaps a dollar a bushel. Maybe he will. We are trying to reconcile our views and compose our differences, and we are now trying to draft an amendment which perhaps will improve the present bill and make it more acceptable to you. But I appeal to you at least to try to find a way to vote for the bill and turn it over to the Secretary and see what he can do with this voluntary program. Why should you vote against a bill that is purely voluntary, to reduce production and reduce the supply?

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. ARENDS. I sincerely hope we are both trying to go in the same direction. The gentleman raised the point that we can perhaps bring about a saving of half a billion dollars in the operation of this bill. I do not question the gentleman's belief, but I do not see how it can possibly happen under the provisions of the bill, for the very simple reason that with the 20-percent provision someone is going to have to pay for these idle acres.

Also, if the Secretary of Agriculture is permitted to sell the commodities in storage at 17 percent below the support price of \$1.20 and then they are in there at a higher price than that, who pays? Uncle Sam pays. So I cannot see how the saving can be effectuated.

Mr. COOLEY. That is just the point. I have no reason to believe that the Secretary of Agriculture would use fully the power contained in section 3. I am frank to say that the effect of this amendment is to make noncompliance less attractive. Of course, under some circumstances, he might lower the price to \$1, but certainly he would do it in an orderly fashion and not with the idea of destroying or breaking the market.

Mr. HOEVEN. Mr. Chairman, I rise in support of the amendment.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

[Mr. HOEVEN'S remarks will appear hereafter in the Appendix.]

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not want to be partisan. I must, however, view with some suspicion the effort on the part of my Republican friends to assist the new Secretary of Agriculture as they say they wish to do. After listening to their almost two days of speeches in opposition to this bill I am somewhat suspicious of this amendment being designed to assist him as they say it is.

They say they simply want to write into law and help him do that which he wants to do. Up until 20 minutes ago every speech, without a single exception, coming from my friend from Iowa and his side of the aisle, has been

against this bill which Secretary Freeman brought to the Hill.

If the gentlemen will assure the House that they will vote for and help us pass this bill on the adoption of the pending amendment, then we will support the amendment.

Will the gentlemen do that?

Mr. HOEVEN. I think this amendment should stand on its own feet.

Mr. ABERNETHY. I think it should too, but I do not think it has very good feet on which to stand.

Mr. HOEVEN. The gentleman from Iowa, as the gentleman from Mississippi well knows, was one of those who voted to report out this bill.

Mr. ABERNETHY. That is right.

Mr. HOEVEN. With the specific intention of getting this bill before the House.

Mr. ABERNETHY. Well I do not know about that. I voted to report it out with the hope that it or something quite similar would pass.

Mr. HOEVEN. But I made reservations as to this particular feature of this bill; and I most emphatically am opposed to section 3 of this bill. I do not intend to vote for any bill which contains section 3.

Mr. ABERNETHY. You know I am very fond of my friend from Iowa as well as the gentleman from Indiana [Mr. HARVEY], who is also my friend. You gentlemen say you are offering and supporting the amendment in an effort to assist the Secretary of Agriculture. After listening to your speeches in opposition to the bill I am inclined to warn the Members on my side of the aisle against Greeks bearing gifts.

With all deference, I have some doubt about that this effort is designed to assist the Secretary. I am afraid it is intended to embarrass him.

This bill is the first request that has been made by the new Secretary of Agriculture on agricultural legislation.

Mr. Freeman came to the hill and told the committee what he wanted. As a part of that he told the committee he would support corn at a particular figure. I see no point in nailing down every commitment he made by legislative act. Certainly we have confidence in the Secretary to do what he says he will do. He has given no indication that he will renege on any commitment or promise.

They say they do not distrust the Secretary. They say they are confident he is going to do what he says he said he would. If they mean what they say, and I am sure they do, then I just cannot understand the logic in offering the amendment.

Mr. Chairman, I hope the pending amendment will be voted down. With all deference to my friend who offered it and the gentleman from Iowa who spoke in support of it, both friends of mine, in my opinion the amendment is somewhat frivolous. It adds nothing to the objective of the legislation. It takes nothing from it. Let us not adopt an amendment to the very first piece of legislation sought by Secretary Freeman, which amendment on its face, whether so intended or not, indicates that we have some doubt of the Secretary doing

that which he stated he would do, and more especially when he made the statement in a public hearing before the committee in the presence of numerous witnesses and the press.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, due to the courtesy of some of my friends I have had an opportunity to intersperse my remarks occasionally, but this is the first time I have managed to obtain the floor in my own right on this bill.

I want to refer to the statement of the gentleman from Texas [Mr. POAGE] who is a very fine friend of the farmer and always has been. But let me remind him of the fact that this bill affects only about 10 percent of his acreage whereas it affects practically 100 percent of the acreage in my district. That is the difference. We are doing something here that will affect the livelihood of the 41,000 farmers in the Seventh District of Minnesota. So I am getting up here and pleading with you not to do anything that is going to harm them. You have the right to think they need help, and they do, but when you come in here and put in section 3, Mr. Chairman, you destroy whatever good effects you have in the bill through the other provisions.

Why do I say that? Because section 3 gives to one man the right to say that from now on all of this 2 billion bushels of CCC corn, not to speak of the oats and barley, will start to trickle out of the possession of the Commodity Credit Corporation and into the market just as soon as the market price reaches \$1.02 or \$1.03 at the terminal markets. By the way, cash corn in Chicago and Kansas City does set the value of cash barley and cash oats, and to a great extent cash rye. So for 5 years until this Commodity Credit Corporation stock of 2 billion bushels is consumed you are going to say to my farmers: "We must be content with \$1-a-bushel corn." What are you saying to the chicken and poultry producers in the East, and to the livestock producers? You are saying "You might as well get accustomed to the idea you are going to have \$10 hogs from now on, because the producer of corn is going to have \$1-a-bushel corn." The poultry producers in the East will have to be satisfied with competing with literally thousands of poultry producers in the Seventh District of Minnesota alone, not to mention what is produced in the balance of the Midwest. Cheap corn means cheap livestock; cheap grain means cheap poultry. Yet you actually propose here to give to one man, regardless of how good he is, and I think Mr. Freeman is sincere, but I hesitate to vote to tempt him at any time to do the wrong thing. You are going to say to him that from now on for 5 years by the use of section 3 we are going to hold down the level of agriculture prices to the \$1 corn level. It will mean that every corn farmer who complies with the program from now on, will turn his corn over to the Commodity Credit Corporation at the low price of \$1.20 per bushel. He will turn over every bushel of corn that is produced, and then he

will go out and buy for \$1 on the free corn market, and perhaps oats and barley as well, and the Government, through the Commodity Credit Corporation, will be both the buyer and seller.

Why, my friends, just think it over. I sincerely say to you that you are destroying by section 3 any good that you are doing in the balance of the bill. As far as I am concerned, if section 3 stays in, I will be reluctant to vote for the bill.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Indiana.

Mr. HARVEY of Indiana. Would not the gentleman actually, in fact, buy his own corn back at \$1?

Mr. ANDERSEN of Minnesota. Certainly. That is what it amounts to, after a lot of expense heaped onto the Commodity Credit Corporation and the taxpayers. I will take my corn and deliver it to the CCC bin site in Tyler, Minn., and then I will buy it at another, or perhaps the same Commodity Credit Corporation outlet to do my feeding, and every corn farmer in America will do the same thing.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to my good friend.

Mr. COOLEY. The gentleman is addressing himself to section 3, but is the gentleman in favor of the Harvey amendment which would fix 75 percent as a price ceiling on corn?

Mr. ANDERSEN of Minnesota. If the Harvey amendment would also fix that as a minimum, I would go along with it.

Mr. COOLEY. He did not fix it as a minimum.

Mr. ANDERSEN of Minnesota. I know that, so I am opposed to the Harvey amendment. If we are going to have \$1.20, let us have it as a minimum as well as a maximum.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the Harvey amendment do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. FOGARTY. I object, Mr. Chairman.

Mr. COOLEY. Mr. Chairman, I move that all debate on the Harvey amendment close in 5 minutes.

The CHAIRMAN. The question is on the motion.

The question was taken; and on a division (demanded by Mr. ARENDS) there were—ayes 121, noes 121.

The CHAIRMAN. The Chair votes aye.

Mr. ARENDS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. JENNINGS and Mr. HOEVEN.

The Committee again divided, and the tellers reported that there were—ayes 149, noes 123.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, I have no doubt that the Secretary of

Agriculture is an outstanding man and that his word is good. However, when he says that high support prices mean that the cost of living will come down, I disagree with him. At the same time I disagree with the pending amendment offered by my friend from Indiana [Mr. HARVEY]. I think this amendment will raise the cost of living. In the areas that I represent in the northeastern section of this country it is going to mean higher prices for our farmers who produce milk and poultry and eggs.

Another thing that surprises me is that my good friend from North Carolina, the very able and genial chairman of this committee and a friend of mine for a long time, on the floor explaining the bill said it would not be very hard to find a good reason to vote against the bill. Then following the gentleman from North Carolina [Mr. COOLEY], my good friend from Iowa [Mr. HOEVEN] took the floor and said he has many doubts and reservations about the bill as it is constituted now. Here we have the chairman and the ranking member of the committee saying they could vote against the bill or they have doubts and reservations about it.

I do not know where this leaves those of us who do not come from these heavy farming areas, because I have been led to believe that high support prices are the cause of an increase in the cost of living, as it has been in my area of the country.

I listened to the gentleman from Texas [Mr. POAGE] a short time ago. He made a very good speech, but I did not agree with his conclusion when he said that when corn was \$1.56 the cost of living was lower than when corn was \$1. If he could guarantee this House that if we raise the support prices of all these things he wants to have raised the cost of living will come down and down and down, then I would vote with him and vote for this bill, but I do not think he can give this kind of guarantee.

I have had a long history of opposing any proposals that would lift the level of Government price supports for agricultural commodities. I have stood here before to voice my sentiments in terms which can be easily understood.

I am against higher price supports for two basic reasons: First, the idea that Government can cut production by offering farmers a higher and higher price incentive is to me a false one; and second, I see no logic at all in being part of an effort which can have only one effect—raise food prices for consumers; the same consumers, incidentally, whose tax money would be used to raise their own food prices.

I am opposed to this bill now before us, just as I have been opposed to similar measures in the past.

Let us look at this bill from the viewpoint of a Congressman in a deficit feed area—and all of the Northeast is a deficit feed area. Our farmers must buy most of their grain to produce milk and eggs and poultry.

Raise the price of corn—from \$1.06 to \$1.20, as this bill proposes—and you raise the price to all of the dairy farmers in the Northeast. None of us here is so

foolish as to believe that northeastern dairy farmers can, or will, absorb that increased cost themselves. Instead, they will seek—and get—higher prices for milk—and higher prices for milk involves all of my constituents.

Now, some proponents of this bill have argued—and will continue to do so, I am sure—that this bill would save the taxpayers' money by compelling farmers to take land out of production. This is only a theory—and not a very good one. All of us know that the record of corn producers is rather consistent—they have consistently refused to comply with Government programs. Their refusal has been stated both in practice and in votes. In 1958 in the last referendum on a question of acreage allotments, about 73 percent of those voting elected to discontinue the allotments, which the bill now before us would reinstate.

What makes the sponsors of this feed grain bill think the corn producers suddenly will conform to controls? It will take more than a few face changes at the Department of Agriculture to work that miracle.

I am not concerned here with the politics of this bill as such—that is politics with a capital "P." I am concerned at the direction this bill would presume to take us—deeper and deeper into Government controls, higher and higher subsidies, greater and greater tax costs—and for what? I say for a bigger mess than we have now—and that is big enough.

The taxpayers of my district—and I wager the taxpayers of most of the urban districts of this Nation—are realizing more and more that they are beating themselves over the head with their tax dollars. How long must this continue?

Some of my colleagues will tell me that urban districts like mine receive much business and income from farm districts. With this I agree. I greatly admire the tremendous technological advances made by all of the farmers of this country—those in my areas as well as those in the grain-growing States, or in the tobacco areas, or in the cotton areas—all farmers.

But, I refuse to believe that these farmers who have been so intelligent as to make the greatest food and fiber production gains ever known in the history of the world are naive enough to believe that economic success lies in bleeding the other American taxpayers. I was brought up on a farm. I know something of farm thinking. As I look around in my district, the most prosperous farmers are the ones who concern themselves little or not at all with Government controls.

If I may, I have a word of warning for those who would use more and more Government control and money for farm programs.

The day soon may come that my constituents—and hundreds of thousands of others like them—will say one of two things—either cut this all out or else guarantee me, too, that I will succeed in my little corner grocery store, my bar, my shoe shop, my laundry, my cleaning establishment, my garage, my filling station—and I could go on for 5 minutes

enumerating occupational and small business groups that might want a piece of the pie.

I repeat—look out.

Mr. Chairman, at this point I would like to include the following news item from the Wall Street Journal of March 6, 1961:

FARM PHILOSOPHY—ADMINISTRATION IDEA IS HOOKED TO AMBITIOUS CONTROLS

(By Joe Western)

WASHINGTON.—Orville Lothrop Freeman has a problem. He's firmly convinced that only strong controls by the Federal Government can save farming from its recurrent economic trouble. Yet, he knows from experience that the farmer is a most difficult fellow to control.

As Agriculture Secretary, he's about to try to engineer what promises to be the most ambitious program of controlled farming ever attempted by the Federal Government—President Kennedy's "managed abundance" farm philosophy.

Mr. Freeman will undertake this monumental task with the knowledge that the farmer he's seeking to help, though perhaps outwardly pleased with the jingle of extra coins in his jeans and gladdened by the departure of Mr. Freeman's predecessor, Ezra Taft Benson, nevertheless inwardly harbors an abiding sympathy with the free farming concept that Mr. Benson so tenaciously espoused. For, Mr. Freeman spent 6 years as Governor of farm State Minnesota, and he's keenly aware of the farmer's near-religious reverence of the soil's productive capacity and his resentment at being told what to grow and—more to the point—what not to grow.

To call the new scheme ambitious and far-ranging is perhaps an understatement. Under the new Democratic farm philosophy Uncle Sam will attempt to determine as closely as possible the actual human nutritional needs—not only domestic but global as well—and gear production directly to them.

Perhaps the best summary of this theory comes from the man who masterminded it, Willard W. Cochrane, former professor of agricultural economics at the University of Minnesota and now special economics adviser to Mr. Freeman. Says Mr. Cochrane: "By supply control I mean the conscious adjustment of supply to demand commodity by commodity, year after year, to yield prices in the market that have already been determined fair by some responsible agency."

The evil that the Cochrane-Freeman approach seeks to correct is demonstrated by the fact that by next July 1 Government-owned surpluses could mount to as high as 1.5 billion bushels of wheat. (Much of it piled up as a result of previous efforts to control farming.) That's enough wheat to satisfy domestic consumption needs for 2½ years, and the surplus of corn and other commodities equals about a half-year's production. Yet, Mr. Freeman points out, at the same time, the Government has no surpluses of such protein foods as meats, oils, and fats; thus the Kennedy administration, its storage bins bare, must buy these products in the open market for distribution to needy families, school lunch programs, and for other welfare projects.

THE GLOBAL SITUATION

According to the 43-year-old Agriculture Secretary, a similar situation exists in world markets. Sure, the United States has mountains of wheat to dispose of abroad, but so do Canada, Australia, and Argentina. Consequently, this country's wheat-disposal program can have a disrupting impact on world markets. On the other hand, some items that are needed abroad, such as dry milk solids, are considered noncompetitive and would be ideal for oversea disposal. The

problem, says Mr. Freeman, is that these products are not in surplus here.

In short, then, the Kennedy "managed abundance" farm philosophy seeks to cut surpluses that are not needed and create surpluses that will be considered desirable by the planners. Mr. Freeman has taken a few preliminary steps in this direction. He's asked the State Department, the International Cooperation Administration, and his own Agriculture Department for a country-by-country breakdown of foreign people's food and fiber needs. He's also talking with heads of nonprofit foreign relief agencies about just what good has been accomplished with U.S. food distributed all over the world, who's benefited, and how to do the job better.

But when the preliminaries are over, the big programs will come. The first outlines probably will appear in President Kennedy's farm message to Congress this week. And before he's through, Mr. Freeman can be expected to produce a host of new schemes to jerk farm production up or down at the pull of Federal puppet strings—for, by his own admission, the Minnesotan is open to any and all ideas.

Nevertheless, Mr. Freeman demands that Federal controls be effective in what they set out to do. Take acreage allotments, for example. The Agriculture boss recognizes that this familiar system of production control has its limitations. For one thing, farmers may thwart Federal goals simply by pushing up yields on their limited acreage. To tighten the Government's grasp, therefore, Mr. Freeman believes commodities should also be controlled in the marketplace. At his confirmation hearing, he told Senators that eventually Government planning will have to include pounds and bushels marketing controls in combination with acreage controls.

Those who talk to Mr. Freeman about the soil bank—Mr. Benson's innovation, unsuccessfully designed to cut production—get another clue to his thinking. Democratic farm policy probably will include some form of soil bank to pay farmers for taking land out of production because most major farm groups favor the scheme. But the Agriculture Secretary has a new twist. As leisure time increases Americans need more parks and recreational areas, he argues. Doesn't it make sense to convert some of the soil bank land into public use? It could always be turned back to crops and pastures in an emergency.

Though the objectives of Mr. Freeman's plans are readily discernible, just how far he will dare go remains uncertain. Some of the ideas being tossed at him almost defy comprehension in their complexity, yet they come from reputable sources. Grapple, if you will, with Mr. Cochrane's proposal to control the production of feed grains—corn, oats, barley, rye, and grain sorghums.

Feed grains pose a special difficulty because many farmers feed most of these grains to their own livestock and sell the balance. The problem is how to measure what is fed to animals. Mr. Cochrane suggests that feed grain nutritional values be converted into something called total digestible nutrients or TDN's. The Government, with advice from interested groups, would calculate (1) what level of prices would be fair for a given year for all livestock; (2) how many animals of various kinds would have to be marketed to achieve these prices; (3) how many TDN's it would take to produce that many animals; (4) allot TDN's to feed grain producers according to production history of their farms.

A conversion factor for each would convert the TDN allotment to bushels. That is, a bushel of corn would be worth so many TDN's, oats would be worth about half as many, and so on. A farmer then would be

allowed to grow whatever feed grains he pleases as long as the total does not exceed his TDN allotment.

RURAL ARITHMETIC

When planting time comes, the farmer converts his TDN's to bushels of grain; the bushels are then converted into acres on the basis of average yields in the area. Finally, the farmer sows. When crops begin showing above the ground, an Agriculture Department agent computes the acreage planted to each grain to one-hundredth of an acre. If the farmer has done his arithmetic correctly, he may do whatever he wishes with the feed grain he harvests—feed it or sell it. If the farmer exceeds his acreage, he must agree to destroy the overage or pay a stiff penalty.

At the end of the marketing year, Government economists would review the nationwide results. If too many animals were marketed, the national TDN allotment would be reduced. In theory, this would make feed scarce causing a price rise that would prompt a cutback in livestock production. If too few animals were marketed, more TDN's would be decreed.

To be sure, there's no suggestion that Mr. Freeman has any intention of quickly adopting the Cochrane feed grain scheme; the temporary 1961 Democratic feed grain program recently sent to Congress proposes a comparatively simple formula: raising price supports for farmers who cut back acreage. But as the Government becomes more deeply involved in farming, there's no telling what new ideas may be tried. The point is, the administration is willing to try almost anything that may work.

How much will the greater Federal involvement cost the taxpayer? Mr. Freeman insists that tighter Government control of farming does not necessarily mean that Agriculture Department spending must rise enormously, whatever has been the result of past control efforts. Though Mr. Freeman probably wouldn't admit as much, the solution this seems to suggest is that through higher farm prices the consumer may become the prime candidate to bear the added cost of boosting farm income.

And, from the farmer's point of view, there's an argument of sorts that shoppers should pay more for food and fiber. It goes something like this: Americans pay far more for processing and marketing services than for the original cost of food; the wheat in a 1-pound loaf of bread costs roughly 3 cents, while bread sells for 20 cents or more. Yet, while farmers continue in a chronically depressed state, Americans in 1960 paid only an average of about 23 percent of their disposable income for food—compared to about 45 percent in Italy, 36 percent in Austria, and even more in other countries. Whatever the validity of such reasoning, it nonetheless is being offered by some close to the new farm planning.

MODERATE PRICE RISES

Mr. Freeman, himself, will argue that moderately higher consumer prices, with the Government keeping supply and demand in balance, are preferable to what he considers the alternatives: A continuation of farm poverty, or a soaring retail price level that would result if, in his view, the Government steps out of farming and allows a tight combine of corporate farmers to assume control. But some critics are already suggesting such price rises under the new Government plan would not be so moderate either.

So, this will be the philosophy Orville Lothrop Freeman will be trying to sell—to Congress, the consumer, and the farmer. In the end, the farmer may prove to be the toughest customer. If the Government does not engineer production, the Agriculture Secretary is convinced the result will be a population of poor and angry farmers. Yet, he knows that as the Government tightens

its control, the farmer, though perhaps more prosperous, will resist the yoke.

Perhaps because he realizes the inevitable consequences of this dilemma, Mr. Freeman already has reached one decision: He does not want to become the whipping boy for the plan. Whatever new programs are produced will be carefully attributed to the Kennedy administration; there will be no Freeman plan.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, I must say the gentleman from Rhode Island just does not understand the program now before us.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

The question is on the amendment offered by the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY of Indiana. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HARVEY of Indiana and Mr. JENNINGS.

The Committee divided and the tellers reported that there were—ayes 103, noes 165.

So the amendment was rejected.

Mr. COOLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it is difficult to believe that this House could be so confused. Apparently, our dear beloved colleague from Rhode Island has neither read the bill nor heard the debate, and I say that in all kindness. Actually, he indicated he is opposed to the bill for exactly the opposite reasons that some of you gentlemen on the left have indicated as the basis for your opposition. On the left, you say this means cheaper beef and poultry and dairy products, cheaper food for the city consumer.

Mr. ABERNETHY. And cheaper grain.

Mr. COOLEY. And cheaper grain. I notice the gentleman here on my left made a very forceful argument to that effect. Then the gentleman from Rhode Island comes along and says "Oh, no; it means higher food prices, higher dairy products, higher poultry prices, higher price supports."

He argued another thing, that if we reduce the grain acreage, the farmers will use fertilizer, they will do subsoiling and other things to produce larger crops. We took care of that in our committee, although I did not approve of it, and I do not now approve of it. But I am going to vote for the bill. The committee placed language in the bill that says price supports will be based on not to exceed the normal per acre yield of each eligible farm. That is normal production. So we took away the incentive to use fertilizer in an effort to increase production, because regardless of production the price support is fixed on the normal output.

I cannot agree with all these arguments. I do not think some of these things we have been talking about are of such great importance, but I do believe it is important for this Congress to do something about the overall problems that are involved here.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. ARENDS. I appreciate the last statement the gentleman made. I too believe it is very important that we carefully consider this measure. I was a little disappointed, however, a moment ago, in the action of the House in restricting debate on what I think is going to be one of the most fundamental issues to come before the Congress, and that is the matter of agriculture, regardless of politics or anything else. I hope the gentleman will no longer be a party to shutting off debate or anything else on a problem that is as much misunderstood as was evidenced by the colloquy between the two gentlemen a while ago. Let us proceed in orderly fashion, and let us not push people around here by limiting debate.

Mr. COOLEY. May I say to the gentleman frankly that if I had followed my own inclination I would not have offered the motion. I had no desire to cut off debate. I thought that discussion was over on the Harvey amendment. I thought we would hear from the gentleman from Rhode Island and then take a vote. I certainly was not trying to close debate. I knew when I made the motion we would lose more time by making the motion than I would have by saying, "What time will you agree on?" I think we should have closed debate in 10 or 15 minutes. But I assure the gentleman it will not be my purpose to close debate. I am going to move that the Committee rise in a minute.

Mr. ARENDS. I thank the gentleman.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. IKARD of Texas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4510) to provide a special program for feed grains for 1961, had come to no resolution thereon.

SOME FIGURES IN CONNECTION WITH THE FARM PROGRAM

(Mr. BECKWORTH asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BECKWORTH. Mr. Speaker, I desire to include in the CONGRESSIONAL RECORD a copy of a letter I wrote Senator Kennedy last fall and a copy of a letter I wrote Vice President Nixon last fall in connection with agricultural problems. Also I include the answers I received from Mr. Kennedy and Mr. Nixon.

I wish to include in the CONGRESSIONAL RECORD a letter which was written to me by a prominent wheat producer, Mr. Tom Campbell, and also some comments by Mr. Marvin McLain of the U.S. Department of Agriculture as of September 2, 1960.

I feel neither platform was specific in connection with plans to find solutions to the farm program.

I desire to include in the RECORD certain data in connection with the feed grains program which were sent to me

March 3, 1961, by Mr. Scoville of the U.S. Department of Agriculture.

The matter follows:

OCTOBER 11, 1960.

DEAR SENATOR KENNEDY: I live in an area of Texas where we formerly had many small farmers. They used to be small cotton farmers and also grew some peanuts. When the programs of acreage restriction came into being, these farmers were diversifying already. They then suffered cotton acreage reductions to the point that many of them had to quit farming; they moved to town. Cotton and peanut acreage reduction has resulted in a diminished opportunity to farm in our area and has helped in my opinion to contribute appreciably to the loss of population in our counties. Some seven of the nine counties of the Third Congressional District lost population in the 1960 census, I'm informed.

I would like to know what plans you and your agricultural advisers have, if any, that would give people who wish to grow cotton and peanuts in this area an opportunity to do so. It is my opinion no farm program should knock out free enterprise in agriculture for the man who truly wants to farm as a vocation and as a way of life. I believe in free enterprise in business and also in agriculture.

There is a "1958 Crop Cotton Price-Support Loans of \$50,000 or More by Producer" report which shows that one producer received \$1,442,595. The value per cotton allotment in some cotton counties is less than \$500 per allotment. Do you think with reference to a governmental supported and control program this spread is too great?

I would appreciate your comments.

Kind regards,

LINDLEY BECKWORTH.

OCTOBER 7, 1960.

DEAR VICE PRESIDENT NIXON: I live in an area of Texas where we formerly had many small farmers. They used to be small cotton farmers and also grew some peanuts. When the programs of acreage restriction came into being, these farmers were diversifying already. They then suffered cotton acreage reductions to the point that many of them had to quit farming; they moved to town. Cotton and peanut acreage reduction has resulted in a diminished opportunity to farm in our area and has helped in my opinion to contribute appreciably to the loss of population in our counties. Some seven of the nine counties of the third congressional district lost population in the 1960 census, I'm informed.

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I would appreciate your comments.

Kind regards,

LINDLEY BECKWORTH.

FARMERS FOR KENNEDY-JOHNSON,

Washington, D.C., October 29, 1960.

HON. LINDLEY BECKWORTH,
New House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BECKWORTH: Thank you for your recent letter regarding the farm

situation and more specifically the cotton and peanut programs. I believe the enclosed release of my letter to the Farm Bureau presidents in Arkansas, Tennessee, and Mississippi will clarify my position with regard to the present and future cotton programs.

May I assure you that my farm program will not in any way "knock out free enterprise," but will instead, strengthen the bulwark of free enterprise in America—the family farm. It will enable a traditional type of farming enterprise to earn returns on their capital, their labor, and the managerial ability comparable to those received in other important industries.

I'm enclosing a copy of "Agricultural Policy for the New Frontier," which outlines the approach which I believe to be best for American agriculture.

Best personal regards.

Sincerely,

JOHN F. KENNEDY.

REPUBLICAN NATIONAL COMMITTEE,

Washington, D.C., October 26, 1960.

HON. LINDLEY BECKWORTH,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BECKWORTH: In the Vice President's absence, his office has referred your letter concerning cotton acreage to me for acknowledgment. As you know, cotton acreage for 1961 was recently increased by the Department of Agriculture. I believe you may find informative a recent statement by the Vice President on the cotton program.

Sincerely yours,

ROLLIS S. NELSON.

CAMPBELL FARMING CORP.,

Albuquerque, N. Mex., October 4, 1960.

HON. LINDLEY BECKWORTH,
House of Representatives, Washington, D.C.

DEAR LINDLEY: My absence from Albuquerque has delayed my answer to your letter with copy of letter of September 2 from Marvin L. McLain, Assistant Secretary of Agriculture, and statement by Secretary Benson of February 18 enclosed.

I have read both with more than ordinary interest and cannot agree with Mr. McLain or any of the recommendations of the platform of either party. They are all too general, not specific enough and full of complications. The idea of reimbursing the farmer for more acreage put in the Land Bank with surplus wheat in lieu of cash is utter nonsense. This wheat has a freight charge against it of approximately 50 cents a bushel and storage charges from 1 to 5 years, which means there would be very little value in the wheat to the farmer even if he sold it at the loan value.

The Government pays an export support price to millers of 72 cents a bushel on wheat exported and wheat exported in the form of flour. This runs into many millions of dollars a year and is an absurd practice. The farmer is blamed for this expense along with other similar expenses.

It is difficult for me to understand how the Agriculture Department can be so incompetent. We have always taken our full wheat loan and with the exception of 2 years out of 29 have paid the loan in full, with interest, when due. During those years we sold our wheat from 12 cents to 70 cents over the loan value. We sold our 1959 crop for 12 cents over the loan value. If it were possible for us to be paid 10 cents a bushel instead of 72 cents for exporting wheat, we could do a very prosperous business.

The entire agriculture program is so inconsistent with good business and good judgment that it should be abandoned and an entirely new, drastic one established. I

would like to discuss this more with you when I am in Washington later in the fall.

With a great deal of friendly esteem, I am

Sincerely yours,

THOMAS J. CAMPBELL.

SEPTEMBER 2, 1960.

Hon. LINDLEY BECKWORTH,
House of Representatives

DEAR CONGRESSMAN BECKWORTH: This replies to your request of August 22 for comments on the proposed solution to the wheat problem which was submitted to you by Mr. Thomas D. Campbell, of Albuquerque, N. Mex.

Briefly, Mr. Campbell recommends as a solution, that we dispose of our present surplus by gifts to needy nations and that price support be limited to that quantity needed domestically. Support on such production would be at 100 percent of a new parity formula reflecting modern methods of production. Any production in excess of domestic requirements would be available for export at world prices.

We certainly agree with Mr. Campbell that steps must be taken to improve the wheat program. Our preferred approach is one which will provide greater freedom for individual producers to operate and one which will permit the establishment of a realistic price support level which would result in increased utilization and at the same time, would discourage uneconomic production. It is doubtful whether Mr. Campbell's proposal would accomplish these desirable objectives. While it would give farmers greater freedom to plant than the present program it would require strict regimentation of all marketings for domestic use. This would require the establishment of marketing quotas for each producer and policing marketings through the entire marketing channel. Unless this is done, it could result in production not eligible for price support flowing into domestic markets at prices below the support level. In this event, the quantity eligible for price support would be placed under price support and acquired by the Government.

It is difficult to determine the support level which would result under the proposed parity formula. It is our opinion that the same purpose is determining the level of support could be accomplished by relating the support level to a specific percentage of the average market price during previous years rather than by attempting to devise a new formula for determining parity.

With respect to donating our surpluses to foreign nations, we wish to make it perfectly clear that we are successfully distributing large quantities of surpluses to needy people throughout the world. Such outlets however, are limited. We shall continue to use all available means, such as Public Law 480 programs, and food for peace programs to expand such markets which are in the best longtime interests of the United States.

We are enclosing a copy of a statement made before the House Committee on Agriculture on February 18 which discusses the

Department's recommendations for improving the farm program. We believe the adoption of the approach recommended therein is preferable to the one recommended by Mr. Campbell.

Sincerely yours,

MARVIN L. McLAIN,
Assistant Secretary.

MARCH 1, 1961.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR CONGRESSMAN BECKWORTH: As requested in your telegram of February 28 to

Secretary Freeman, the attached tables give the names and addresses of the 10 feed grain producers receiving the largest CCC loans on feed grains in 1958 and 1959.

The amounts shown represent the loan of funds advanced. In some instances these were redeemed but in other cases the grain was taken over by the Government. Similar information is not available for earlier years. Several previous years are available for the basic commodities but these include only corn among the feed grains.

Sincerely yours,

ORLIN J. SCOVILLE.

10 largest price-support commodity loans, 1959 crop

Producer	Crop		Total ¹
	Barley	Grain sorghum	
Salter Land Co., Corcoran, Calif.	\$1,136,667		\$1,136,667
Westlake Farms, Inc., Stratford, Calif.	1,017,500		1,017,500
Giffen, Inc., Huron, Calif.	923,991		923,991
Employee Enterprises, Inc., Huron, Calif.	435,046		435,046
Younger Farms, Buckeye, Ariz.	270,836		270,836
Price Giffen Ranch, Firebaugh, Calif.	263,142		263,142
South Lake Farms, Corcoran, Calif.	164,817		164,817
Massey & Harper, Robstown, Tex.		\$137,207	137,207
Five Points Ranch, Inc., Five Points, Calif.	107,569		107,569
Jack Harris, Inc., Five points, Calif.	97,732		97,732

¹ No oat or corn loans above \$2,500.

10 largest price-support commodity loans, 1958 crop ¹

Producer	Crop		Total
	Barley	Oats	
Westlake Farms, Inc., Stratford, Calif.	\$1,140,431.70		\$1,140,431.70
Giffen, Inc., Huron, Calif.	1,115,860.72		1,115,860.72
Salter Land Co., Corcoran, Calif.	951,076.70		951,076.70
South Lake Farms, Corcoran, Calif.	398,666.68		398,666.68
Tulana Farms, Worden, Oreg.	92,392.34	\$247,954.56	340,346.90
Five Points Ranch, Inc., Five Points, Calif.	314,990.08		314,990.08
Calflax Co., Inc., Fresno, Calif.	313,681.20		313,681.20
Employee Enterprises, Inc., Huron, Calif.	267,085.35		267,085.35
Jack Harris, Inc., Five Points, Calif.	257,553.45		257,553.45
Buena Vista Associates, Inc., San Francisco, Calif.	193,280.21		193,280.21

¹ No grain sorghum or corn loans above \$50,000.

DEPARTMENT OF AGRICULTURE

Washington, March 3, 1961.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR CONGRESSMAN BECKWORTH: With reference to my letter of March 1, I have been advised that a few corn producers received large price support commodity loans in 1958 and 1959 and should have been included in the tabulation. Would you kindly substitute the enclosed tables for those sent you with my previous letter. Allow me to repeat that the amounts shown represent the total amount of funds loaned to these producers on the 1958 and 1959 crops.

Mr. Gordon Parke has related to me your question concerning the largest loan that could be expected to be made under the proposed 1961 emergency feed grain pro-

gram. This question cannot be answered with certainty but I would expect the largest loan to be somewhat smaller than the largest loans of the past 2 years. A loan level of \$1.20 would be only a little higher than the \$1.12 level of 1959 but lower than the \$1.36 support of 1958.

Eligibility for price support loans would be limited to those who reduced corn and sorghum acreages by 20 percent, therefore, the quantity placed under loan by any one producer should reflect this reduced acreage. We do not know that any of these growers put all of their feed grain crop under the loan but I see no reason for the proportion covered by loans to vary with the new program.

Sincerely yours,

ORLIN J. SCOVILLE.

U.S. DEPARTMENT OF AGRICULTURE, COMMODITY CREDIT CORPORATION

10 largest 1958-crop price-support commodity loans made on feed grains (corn, barley, grain sorghum, oats, and rye)

Producer	Crop				Total	Producer	Crop				Total
	Barley	Corn	Grain sorghum	Oats			Barley	Corn	Grain sorghum	Oats	
Westlake Farms, Inc., Stratford, Calif.	\$1,140,432				\$1,140,432	Calflax Co., Inc., Fresno, Calif.	\$313,681				\$313,681
Giffen, Inc., Huron, Calif.	1,115,861				1,115,861	Employee Enterprises, Inc., Huron, Calif.	267,085				267,085
Salter Land Co., Corcoran, Calif.	951,077				951,077	Jack Harris, Inc., Five Points, Calif.	257,553				257,553
South Lake Farms, Corcoran, Calif.	398,667				398,667	Harrison & Quirk, Hastings, Nebr.		\$136,940	\$71,778		208,718
Tulana Farms, Worden, Oreg.	92,392			\$247,955	340,347						
Five Points Ranch, Inc., Five Points, Calif.	314,990				314,990						

The Committee for a Sane Nuclear Policy is headed by a group of nationally prominent citizens about whose integrity and good faith there is no question. Among them are people like Norman Cousins, of the *Saturday Review*, Mr. Clarence Pickett, of the American Friends Service Committee, Mr. Norman Thomas, and others. They advocate a point of view which some of us consider unrealistic or utopian, but it is, nevertheless, a significant point of view on an issue of life and death importance. For the personal motivation of most of those associated with the Committee for a Sane Nuclear Policy I have the most sincere respect. The point of view they represent deserves a hearing—indeed, it must be heard.

I believe that the heads of the Committee for a Sane Nuclear Policy have a serious contribution to make to the great debate on national policy. But they can only make this contribution effectively if they purge their ranks ruthlessly of Communist infiltration and if they clearly demarcate their own position from that of the Communists, first, by stressing the need for adequate inspection, second, by reiterating at every opportunity their opposition to the tyranny of communism.

I can think of other things that can and should be done by the directors of the Committee for a Sane Nuclear Policy and of other non-Communist organizations that must contend with the problem of Communist infiltration. At top level, control is relatively easy. One can more or less assume that the people who are elected to a board of directors or to a national committee have enjoyed public visibility over a period of years so that their records are known. At the local level, not even the FBI with all of its resources could offer a 100-percent guarantee against infiltration. However, I think it is possible for organizations to exercise a good deal of control by carefully examining the personal records and bona fides (1) of all those who volunteer to help establish local organizations; (2) of those who are elected to office in local organizations; (3) of all those assigned to organizing activities.

In my closing remarks I paid tribute to Mr. Norman Cousins, the chairman of the Committee for a Sane Nuclear Policy for the manner in which he reacted to the revelations of the subcommittee. Not only did he act immediately to suspend Mr. Abrams, but, when he saw me in Washington, he pledged his cooperation to the subcommittee in dealing with the problem of Communist infiltration in the Committee for a Sane Nuclear Policy.

I believe that the statement I made at the time was restrained and fair. Indeed, I received quite a few letters from the officers and members of the Committee for a Sane Nuclear Policy, expressing their personal appreciation to me for bringing the question of Communist infiltration into the open—and for doing this in a manner that was fair to the organization and to its national leaders.

But there are always those who will not be satisfied by even the most meticulous fairness when Communist subversion or Communist infiltration is under investigation. Thus, the *New York Post* commented editorially at the time that the Communist infiltration exposed by Senator Dobb consisted of one lone Communist infiltrator—"count them," said the editor.

In my statement I had pointed out that the subcommittee had received evidence that Harry Abrams was not a lone phenomenon—that there was in fact a seri-

ous Communist infiltration in many of the local chapters of the Committee for a Sane Nuclear Policy.

In a series of hearings held in October 1960, the subcommittee looked into the matter of Communist infiltration in the New York area. Twenty-seven witnesses who had been active in the Greater New York Committee for a Sane Nuclear Policy, or had been associated with it in some way, appeared before the subcommittee. In accordance with the committee's practice, the hearings were held in executive session to protect both the committee and witnesses against false or unsubstantiated allegations. The testimony of four witnesses, in line with this procedure, has not been printed as part of the hearings. Of the remaining 23 witnesses, 22 invoked the fifth amendment when asked whether they were members of the Communist Party and other questions relating to Communist activities. Nine of these fifth amendment witnesses were chairmen of locals of the Greater New York Committee for a Sane Nuclear Policy; 3 were members; and 10 had either contributed to the Greater New York committee, or had paid for advertisements in the program of the Madison Square Garden meeting, or had worked for the committee as volunteers. An additional fifth amendment witness was Arnold Johnson, legislative director of the Communist Party, who is not a member of SANE, but who was called before the committee for the purpose of establishing that the Communist Party has made it a deliberate policy to encourage the infiltration of such organizations.

Before these hearings were held, the national committee for SANE, as I already pointed out, had taken certain measures to deal with the problem of Communist infiltration. On May 26 the board of directors of the National Committee for a Sane Nuclear Policy adopted a statement of policy barring members of the Communist Party or individuals who are not free because of party discipline and party allegiance from any office in the organization. It specified that this was to apply to all local committee leaders, to future candidates for these posts, to staff members and public spokesmen. It said that individuals who could not uphold this policy should not accept or maintain their positions in the organization. It authorized the national committee to hear charges against individual leaders, staff members and public spokesmen, to demand their resignation if the evidence warranted this and to take further action if they refused to resign.

The problem was how to implement these regulations and give them some force.

When the subcommittee subpoenaed the witnesses who appeared before it in the recent hearings, the national committee advised these witnesses not to invoke the fifth amendment, and it offered the services of the committee's counsel, Mr. William Butler, an experienced civil liberties lawyer, to all those who had been subpoenaed. With one lone exception, the members and local officers of the Greater New York Committee for a Sane Nuclear Policy who

were scheduled to appear before the subcommittee refused the national committee's offer of legal aid and appeared, instead, with their own lawyers.

Because of the affirmative attitude of the national committee in coping with this problem, I considered it my duty to advise them, although I could not release the details of the testimony to them, that the great majority of the witnesses who had appeared before the subcommittee had invoked the fifth amendment and that among these were some half-dozen chairmen of locals in the Greater New York area.

At the time this advice was conveyed to the national committee, it already had the question of the Greater New York committee under consideration. In mid-October, the national committee asked the Greater New York committee to show cause why its charter should not be revoked. At the same time, it publicly dissociated itself from certain activities of the Greater New York committee.

In early November, the national committee of SANE directed the Greater New York committee to surrender its charter. The motion also recommended that existing local groups which desire to apply for a charter should communicate with the national office.

In publishing the record, I again wish to make it emphatically clear that there has never been any question about the bona fides of the distinguished Americans who constitute the National Committee for a Sane Nuclear Policy. I also wish to point out that this testimony relates to the situation that existed in the Greater New York Committee for a Sane Nuclear Policy, not in the National Committee for a Sane Nuclear Policy which has taken energetic steps to cope with the problem.

The national committee of SANE is to be complimented on the measures it has taken. It would be misleading and dangerous, however, to believe that, with these actions, the problem of Communist infiltration has ceased to exist. The problem is widespread; if the Communists, under direction, have infiltrated the local organizations of SANE in the New York area, it can be taken for granted that there has been a parallel infiltration in varying degrees, in other centers. The problem is also a continuous one because the Communists are without question the world's most persistent infiltrators. They can be abused and disinvited—but if they see something to gain from infiltrating a non-Communist organization, on a local or national scale, they will employ every resource and artifice to do so.

In my initial speech on the Communist infiltration in the nuclear test ban movement I discussed the possible need for legislation to assist private organizations in coping with the problem of Communist infiltration. The national committee of SANE has taken the stand that it is entirely capable of dealing with the Communist infiltration in its ranks and preventing the subversion of its principles by the Soviet termites. For my own part, I am inclined to agree with the national committee that Government

intervention and regulation is to be avoided wherever possible, and that it would be infinitely preferable if SANE and other organizations can demonstrate their ability to resist Communist infiltration with their own resources.

It is my hope that over the coming period the national committee of SANE will, by the example in which it is now engaged demonstrate that legislation is not needed. For my own part, I am disposed to give the committee an appropriate period of time in which to prove its point.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an analysis of the testimony of the witnesses on the Greater New York Committee for a Sane Nuclear Policy.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANALYSIS OF TESTIMONY OF WITNESSES ON THE GREATER NEW YORK COMMITTEE FOR A SANE NUCLEAR POLICY

Witnesses heard on Aug. 31, Sept. 1-2, and Oct. 10, 1960-----	25
Witnesses heard in previous testimony (Henry H. Abrams, Alexander Munsell, Halstead Holman)-----	3
Number heard Aug. 31, Sept. 1-2, and Oct. 10, 1960, who took the fifth amendment-----	22
Number of above who refused to answer (John W. Darr, Jr.)-----	1
Number previously heard who took the fifth amendment (Henry H. Abrams, Alexander Munsell, Halstead Holman)-----	3
Number heard Aug. 31, Sept. 1-2, Oct. 10, 1960, who took the fifth amendment and were local chairmen (Saul Arons, Mrs. Rose Holly, Mrs. Laura Naddell, Thomas Salligman, Ralph Shapiro, Joseph Spencer, Mrs. Sarah Starr, Jeanette Sussman, Leonard Zablow)-----	9
Number who testified previously, took the fifth amendment and was local chairman (Henry H. Abrams)-----	1
Number who testified on Aug. 31, Sept. 1-2 and Oct. 10, 1960, who took the fifth amendment and were members of the Greater New York committee (Mrs. Beatrice Bergen, Maurice Kurzman, Mrs. Naomi Pastor)-----	3
Number who contributed to the Greater New York committee or supported it in other ways, and who took the fifth amendment (Frederick Palmer Weber, Gerald Michael Covici, Dr. Joseph B. Furst, Carl A. Marzani, Victor Rabinowitz, John Randolph, Milton Rosen, Randolph B. Smith, Mrs. Margaret Cowl)-----	10
Number previously heard who contributed to the Greater New York committee or supported it in other ways, and who took the fifth amendment (Halstead Holman, Alexander Munsell)-----	2

¹ Not included in either total is Arnold Johnson, legislative director of the Communist Party, who invoked the fifth amendment in reply to most questions. Johnson, who is not a member of SANE, was called before the committee for the purpose of establishing that the Communist Party has made it a deliberate policy to infiltrate its members into such organizations.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, informed the Senate that, pursuant to the provisions of section 10(a), Public Law 474, 81st Con-

gress, the Speaker had appointed Mr. HALEY, of Florida, Mr. MORRIS, of New Mexico, and Mr. BERRY, of South Dakota as members of the Joint Committee on Navajo-Hopi Indian Administration on the part of the House.

The message also informed the Senate that, pursuant to the provisions of 46 U.S.C. 1126c, the Speaker had appointed Mr. HOLTZMAN, of New York, and Mr. McINTIRE, of Maine as members of the Board of Visitors to the U.S. Merchant Marine Academy on the part of the House.

The message further informed the Senate that, pursuant to the provisions, of 10 U.S.C. 6968 (a), the Speaker had appointed Mr. BAILEY, of West Virginia, Mr. FLOOD, of Pennsylvania, Mr. BETTS, of Ohio, and Mr. LAIRD, of Wisconsin as members of the Board of Visitors to the U.S. Naval Academy on the part of the House.

The message also informed the Senate that, pursuant to the provisions of section 6, Public Law 754, 81st Congress, the Speaker had appointed Mr. GEORGE P. MILLER, of California, as a member of the National Historical Publications Commission on the part of the House.

The message further informed the Senate that, pursuant to the provisions of Public Law 106, 84th Congress, the Speaker had appointed Mr. CANNON, of Missouri, Mr. BROOKS, of Louisiana, Mr. JONES, of Alabama, Mr. CURTIS, of Massachusetts, and Mr. BOW, of Ohio as members of the Joint Congressional Committee on Construction of a Building for a Museum of History and Technology for the Smithsonian Institution on the part of the House.

The message also informed the Senate that, pursuant to the provisions of section 1, Public Law 86-650, the Speaker had appointed Mr. BYRNE, of Pennsylvania, Mr. DELANEY, of New York, and Mr. TABER, of New York as members of the U.S. Constitution One Hundred and Seventy-fifth Anniversary Commission on the part of the House.

The message further informed the Senate that, pursuant to the provisions of section 1, Public Law 523, 78th Congress, the Speaker had appointed Mr. TEAGUE, of Texas, Mr. LANKFORD, of Maryland, and Mr. KEARNS, of Pennsylvania as members of the National Memorial Stadium Commission on the part of the House.

The message also informed the Senate that, pursuant to the provisions of 16 U.S.C. 715a, the Speaker had appointed Mr. KARSTEN, of Missouri, and Mr. GAVIN, of Pennsylvania as members of the Migratory Bird Conservation Commission on the part of the House.

The message further informed the Senate that, pursuant to the provisions of section 601, title VI, Public Law 250, 77th Congress, the Speaker had appointed Mr. MILLS, of Arkansas, Mr. KING, of California, Mr. MASON, of Illinois, Mr. CANNON, of Missouri, Mr. MAHON, of Texas, and Mr. TABER, of New York, as members of the Committee To Investigate Nonessential Federal Expenditures on the part of the House.

The message also informed the Senate that, pursuant to the provisions of section 1, Public Law 372, 84th Congress,

the Speaker had appointed Mr. McCORMACK, of Massachusetts, Mr. KEOGH, of New York, Mrs. ST. GEORGE, of New York, and Mr. SCHENK, of Ohio, as members of the Franklin Delano Roosevelt Memorial Commission on the part of the House.

The message further informed the Senate that, pursuant to the provisions of 20 U.S.C. 42, 43, the Speaker had appointed Mr. CANNON, of Missouri, Mr. BROOKS, of Louisiana, and Mr. BOW, of Ohio, as members of the Board of Regents of the Smithsonian Institution on the part of the House.

The message also informed the Senate that, pursuant to the provisions of 14 U.S.C. 194(a), the Speaker had appointed Mr. DADDARIO, of Connecticut, and Mr. CHAMBERLAIN, of Michigan, as members of the Board of Visitors to the U.S. Coast Guard Academy on the part of the House.

The message further informed the Senate that, pursuant to the provisions of section 5, Public Law 420, 83d Congress, the Speaker had appointed Mr. THORNBERRY, of Texas, and Mrs. DWYER, of New Jersey, as members of the Board of Directors of Gallaudet College on the part of the House.

The message also informed the Senate that, pursuant to the provisions of section 2(a), Public Law 85-874, the Speaker had appointed Mr. WRIGHT, of Texas, Mr. THOMPSON, of New Jersey, and Mr. KEARNS, of Pennsylvania, as members ex officio of the Board of Trustees of the National Cultural Center on the part of the House.

The message further informed the Senate that, pursuant to the provisions of 10 U.S.C. 4355(a), the Speaker had appointed Mr. TEAGUE, of Texas, Mr. RABAUT, of Michigan, Mr. RIEHLMAN, of New York, and Mr. JONAS, of North Carolina, as members of the Board of Visitors to the U.S. Military Academy on the part of the House.

The message also informed the Senate that, pursuant to the provisions of 10 U.S.C. 9355(a), the Speaker had appointed Mr. ROGERS, of Colorado, Mr. MAGNUSON, of Washington, Mr. CHENOWETH, of Colorado, and Mr. OSTERTAG, of New York, as members of the Board of Visitors to the U.S. Air Force Academy on the part of the House.

FEED GRAINS PROGRAM FOR 1961

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 54, Senate bill 993, and that it be made the unfinished business.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 993) to provide a special program for feed grains for 1961.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert:

That, notwithstanding any other provision of law—

(a) the level of price support for the 1961 crop of corn shall be \$1.20 per bushel; and the level of price support for the 1961 crops of oats, rye, barley, and grain sorghums shall be such level as the Secretary of Agriculture (hereinafter called the Secretary) determines is fair and reasonable in relation to the level of price support for corn, taking into consideration the feeding value of such commodity in relation to corn and the following additional factors: (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which other commodities are being supported, (3) the availability of funds, (4) the perishability of the commodity, (5) the importance of the commodity to agriculture and the national economy, (6) the ability to dispose of stocks acquired through a price-support operation, (7) the need for offsetting temporary losses of export markets, and (8) the ability and willingness of producers to keep supplies in line with demand.

(b) corn, oats, rye, barley, and grain sorghums of the 1961 crop shall be eligible for price support only if—

(1) the total acreage on the farm devoted to the 1961 crops of corn and grain sorghums does not exceed the average acreage on the farm devoted to such commodities in 1959 and 1960, 30 per centum thereof;

(2) the total acreage on the farm devoted to the 1961 crops of such other feed grains as the Secretary may designate does not exceed the average acreage on the farm devoted to such commodities for harvest in 1959 and 1960, less 30 per centum thereof;

(3) the total acreage on the farm devoted to the production of nonconserving crops as determined by the Secretary which would normally be harvested in 1961 does not exceed the total average annual acreage on the farm devoted to the production of such nonconserving crops for harvest in 1959 and 1960, less the sum of the reductions in feed grain acreages required by clauses (1) and (2) (such sum being hereinafter called the required reduction); and

(4) the producers on the farm in accordance with regulations prescribed by the Secretary of Agriculture—

(i) devote an acreage on the farm equal to the required reduction to soil and water conserving uses, and

(ii) do not produce any crop thereon which is normally harvested in 1961 and do not graze such acreage during such year.

The Secretary may permit a reduction in corn and grain sorghums acreage in excess of the 30 per centum required under clause (1) to be counted toward any reduction required under clause (2) on such basis as he determines will result in a comparable reduction in acreage in terms of feed value. The acreage described in clause (4) shall be in addition to any acreage devoted to the conservation reserve program. In accordance with regulations prescribed by the Secretary, the acreage of corn, grain sorghums, other feed grains designated by the Secretary, and other nonconserving crops for harvest in 1959 and 1960 may be adjusted to the extent the Secretary determines appropriate for abnormal weather conditions, established crop rotation practices for the farm, changes in the constitution of the farm, participation in soil bank or Great Plains programs, or to give effect to the provisions of law relating to release and reapportionment or preservation of history, and such other factors as the Secretary may deem appropriate. For the purposes of eligibility for price support a producer shall not be deemed to have violated any of the foregoing conditions unless the producer knowingly violated such condition, but the Secretary may provide by regulation for adjusting any payment under subsection (c) on account of any violation of any such

condition or any other condition of eligibility for such payment.

(c) Producers meeting the foregoing conditions of eligibility for price supports shall be entitled for the number of acres of each commodity (corn, or grain sorghums, or other feed grain designated by the Secretary) represented in the required reduction to—

(1) A cash payment computed by multiplying one-half of such number of acres by the average annual yield of such commodity by 50 per centum of the basic county support rate for such commodity, and

(2) A payment in kind equal in value to an amount computed by multiplying one-half of such number of acres by the average annual yield of such commodity by 60 per centum of the basic county support rate for such commodity.

For the purposes of this subsection the average annual yield of each commodity shall be the average annual yield per harvested acre on the farm for the years 1959 and 1960, adjusted for abnormal weather conditions and other factors as determined under regulations prescribed by the Secretary. The basic county support rate shall be the 1961 crop basic support rate, as determined by the Secretary, for the county in which the acreage described in subsection (b)(4) is located. The payment in kind shall be made by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in feed grains equal in value to the value of the certificate. The feed grains redeemable for such certificate shall be valued at the market price thereof as determined by the Commodity Credit Corporation. In the case of any certificate not redeemed within sixty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning sixty days after its issuance and ending with the date of its redemption shall be deducted from the value of the certificate. The Commodity Credit Corporation shall provide assistance in the marketing of such certificates. The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis.

SEC. 2. (a) The Secretary is authorized to issue such regulations as may be necessary to effectuate the program authorized by this Act.

(b) There are hereby authorized to be appropriated such amounts as may be necessary to carry out the purposes of this Act. Obligations may be incurred in advance of appropriations therefor and Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with this act during the fiscal year ending June 30, 1961.

LEGISLATIVE PROGRAM

Mr. RUSSELL obtained the floor.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Illinois.

Mr. DIRKSEN. While a good many Senators are present in the Chamber, I should like to say that the majority leader and I have had some discussions about the rest of the week and possibly into the following week. The feed grains bill will be the business before the Senate. I am not certain, because of the fact that the House has not yet completed action on a similar bill, whether there will be action on the bill today, but I would fancy there will be no vote

on it until tomorrow. That is the first inquiry I should like to make.

Mr. ELLENDER. Mr. President—
The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Louisiana?

Mr. RUSSELL. Mr. President, I ask unanimous consent that the parliamentary inquiry may be clarified without my losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ELLENDER. Mr. President, I may say to the Senator from Illinois that it is my purpose to present the bill, to let us have debate on it, but to await action on the House before we actually vote on either the pending bill or a substitution of the House bill.

I am informed that the House will probably pass its bill sometime this afternoon, and if that occurs early enough and we are through with debate, the Senate could substitute the House bill for whatever Senate bill we had agreed to.

Mr. MANSFIELD. Mr. President, if the distinguished minority leader will yield, and complementing what the Senator from Louisiana has said, it would be my suggestion that we follow the procedure outlined by the chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER]. If it is possible, we should try to dispose of the debate on the bill today and agree to a vote on it tomorrow.

Following consideration of the feed grains bill, it is anticipated we will bring up the depressed areas bill, which should be made the unfinished business tomorrow. I hope there will be no objection. The bill could be debated at least in part and then carried over until Friday, at which time it might be possible to conclude consideration of that particular measure.

Following that would come consideration of the extension of unemployment compensation benefits, on which hearings were held this morning in the Committee on Finance. I understand the hearings will continue tomorrow. It would appear that the best possible date for bringing up of that particular piece of proposed legislation—and it is very important legislation—would be Monday. If that is the case, it is also contemplated that immediately after passage of the bill reported by the Committee on Finance the Senate will consider the extension of railway unemployment compensation, which has already passed the House unanimously.

After that it would be in order to bring up the OECD Treaty, which has been reported from the Senate Committee on Foreign Relations unanimously and which I think is in a form which should meet the satisfaction of a great majority of the Members of this body.

Mr. DIRKSEN. Let me follow that up a moment. I should like to ask the Senator from Louisiana with respect to the possibility of amendments as to which there may be votes. My understanding is, from the statement of the majority leader, that there will be a gen-

eral discussion of the feed grains bill today but no vote either on substantial amendments or on the bill itself until tomorrow.

Mr. ELLENDER. Mr. President, I have obtained the information that the House expects to complete action on its bill about 4 o'clock this afternoon. If the House bill is sent to us we can finish consideration of the feed grains bill today. That is my hope.

Mr. DIRKSEN. I am not advised as to how many Senators wish to discuss the bill, but I am sure there will be a good deal of discussion, and I would not like to have to remain too late.

Mr. ELLENDER. It would not be my purpose to cut off discussion. We will permit Senators to discuss the bill as much as they wish.

Mr. President, I believe we should take action on the feed grains bill as soon as possible. I had hoped we could put the feed grains bill on the President's desk sometime this week. If we wait until next week, after the 15th, we might as well not pass a bill. That is why I am so anxious to present the bill today and wait to see what the House is going to do at about 4 o'clock. If we are through discussing the bill and acting on the Senate bill we can take up the House bill and substitute our bill for the House bill, and send it to conference immediately. That is what perhaps can be done.

Mr. MANSFIELD. I should like to continue on that point. If that is possible, I think we ought to do it, and we should be prepared to remain here until 7 o'clock, if need be.

Mr. ELLENDER. That would be my suggestion, Mr. President. We should act on the feed grains bill as soon as possible.

Mr. DIRKSEN. Mr. President, I assure the Senator from Louisiana that it is certainly not my disposition to delay action on the bill any longer than is necessary. I only wish to see that Members are alerted as to when they can expect to consider the depressed areas bill, the OECD Treaty and the temporary unemployment compensation bill. Also, because of commitments which have been made by a good many Members to make speeches and that sort of thing in their home States, I hope there will be no Saturday session. I think the majority leader would concur in that, insofar as he can contrive it. I do not ask him for an outright assurance on that point, but it seems to me we can negotiate the schedule so as to be free on Saturday, and I do not think it would offend any Member of the Senate on either side of the aisle if that is consummated.

Mr. MANSFIELD. Mr. President, I say to the Senator from Illinois, if it had been possible to bring up an extension of the unemployment compensation benefits bill, both as it applies to the social security system and to the Railway Labor Act, by Saturday, we would have attempted to consider it, as we had previously intimated. In view of the fact that hearings will be held tomorrow, it seems unlikely that the measure will be before us. I, too, hope we can finish the

other business and adjourn from Friday until Monday.

Mr. JOHNSTON and Mr. PASTORE addressed the Chair.

Mr. DIRKSEN. The Senator from Georgia has the floor.

Mr. RUSSELL. Mr. President, I will yield, for one more question, to my distinguished friend from Rhode Island, and then I will not yield further.

Mr. PASTORE. Mr. President, I understood the majority leader to say that he expects to bring up the depressed areas bill on Friday.

Mr. MANSFIELD. No. We expect to bring the bill up tomorrow and have debate on it, and it will probably go over until Friday. The bill will be placed before the Senate tomorrow, as soon as we finish with the feed grains bill.

Mr. PASTORE. If consideration of the depressed areas bill is not concluded by Friday night, does the Senator expect we shall have a Saturday session?

Mr. MANSFIELD. Let us wait to see what happens at that time.

Mr. President, will the distinguished Senator from Georgia yield to me?

Mr. RUSSELL. Mr. President, I must, of course, yield to the distinguished majority leader, so I retract my previous statement. Then I shall decline to yield further.

Mr. MANSFIELD. I thank the Senator.

A TRIBUTE TO MARGARET MITCHELL AND METRO-GOLDWYN-MAYER'S "GONE WITH THE WIND"

Mr. RUSSELL. Mr. President, wherever men speak in any tongue, the work of Margaret Mitchell in that great book, "Gone With the Wind," has been read and discussed. It was translated into 24 languages and had over 70 printings, and over 10 million volumes have been printed and sold. The motion picture, "Gone With the Wind," has been viewed by some 60 million people.

A brief tribute to this great publication and to this great picture has been prepared, inasmuch as this is the year in which the country celebrates the 100th anniversary of the Civil War, and I ask unanimous consent that the tribute may be printed in the RECORD.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

A TRIBUTE TO MARGARET MITCHELL AND METRO-GOLDWYN-MAYER'S "GONE WITH THE WIND"

The presentation of this most famous of all motion pictures has been timed to coincide with the 100th anniversary of the Civil War. This Civil War centennial extends over a 5-year period, 1961-65, corresponding of course, with the years of the war, 1861-65. Hundreds of reenactments, tributes, commemorations, dedications, and activities are being scheduled.

Metro-Goldwyn-Mayer is now making elaborate plans for the anniversary premiere of the filmization of Georgia's own Margaret Mitchell's "Gone With the Wind." The premiere of the picture will be held on March 10 at Loew's Grand Theater in Atlanta, the same city and the same theater where the original premiere was held. As near as possible, the entire schedule of activities that were held in 1939 are being duplicated this

time. From the original cast Vivien Leigh, Olivia de Havilland, Thomas Mitchell, and other stars are to be in attendance, including the famed producer David O. Selznick. In Washington, D.C., the film will be shown at Loew's Capitol Theater on March 30.

Margaret Mitchell and her famous novel that was made into this great motion picture that captured the imagination of the world will be honored on this occasion, and this is most appropriate.

"Gone With the Wind" has played in practically every city in the world, including those behind the Iron Curtain, where seized prints are exhibited. Its record-breaking aggregate audience totals more than 120 million people and it has been shown somewhere every day since it first opened 21 years ago. It won a then unprecedented 10 Academy Awards, including the Thalberg Award given to Producer Selznick for most consistent high quality of production.

Clark Gable became Hollywood's "King" as a result of his portrayal as Rhett Butler. The picture also proved a turning point in the careers of Vivien Leigh, who won an "Oscar" as best actress of the year for her role as Scarlett, Olivia de Havilland, and Leslie Howard.

Although the Academy Awards are recognized as the final accolade, there were many other honors and tributes. At opposite ends of the pole, for example, Winston Churchill sent a personal message of congratulations and Adolph Hitler seized a print and ran it over and over for his personal pleasure.

It was released in England during the Battle of Britain and moviegoers queued up at the box office, ignoring the Nazi bombs. It missed playing 4 years in two theaters in London by only 7 weeks. Its longest continuous run was in Paris, where it played for 3 years and 11 months.

"Gone With the Wind" runs 3 hours and 40 minutes. The final edited film contains 19,980 feet, just short of 4 miles long. More prints have been made than of any picture in history. Concurrently with the record-shattering success of the film has been the success of Margaret Mitchell's novel. The original hard-cover edition consisted of 1,037 pages. It sold 50,000 copies the first day it was issued, shattering all fiction records. It won the Pulitzer Prize, and was declared the most distinguished novel of the year by the American Booksellers Association.

Since first issued, it has had over 70 printings, and has been translated into 24 languages. The paperback edition, running 862 pages, was first issued in 1954. It has since had two other printings with the most recent, in early 1960, selling 706,199 copies. Counting all editions, it is estimated that the book has sold more than 6 million copies in this country, and some 10 million in all nations. It is recommended reading in many schools as a book which, like the picture, tells of a glorious and dramatic epoch in our history.

TRIBUTE TO SENATOR HOWARD W. CANNON, OF NEVADA

Mr. BIBLE. Mr. President, my distinguished colleague and warm friend added another chapter to his illustrious career yesterday when the Senate unanimously approved his nomination by President Kennedy to be a brigadier general in the U.S. Air Force Reserve.

Senator Howard Cannon entered the service of his country as a first lieutenant in 1941 and had attained the rank of lieutenant colonel at the time of his separation in 1946. What transpired in those years, Mr. President, provides eloquent testimony to the caliber of the man

tend to him my heartiest congratulations.

Mr. BIBLE. Mr. President, I now yield to the distinguished Senator from Idaho.

Mr. CHURCH. Mr. President, I have just learned the news of the promotion of Senator HOWARD CANNON to the rank of brigadier general in the Air Force Reserve. This news gave me not only much pleasure, but it was received with the sense which all such news always confers upon one who has never achieved a rank in the military service higher than that of first lieutenant.

I think Senators from the Western States will testify that in many legislative matters we are already used to taking our marching orders from HOWARD CANNON. Now I think we shall probably take them with less backtalk than before.

All of us commend Senator CANNON and rejoice with him. I extend to him my very sincere congratulations. I think the Air Force, too, is to be congratulated for the discrimination it has shown in giving this well-deserved recognition.

Mr. SMITH of Massachusetts. Mr. President, I join with my colleagues in congratulating the junior Senator from Nevada on his promotion. It is well deserved, and a credit to both the Armed Forces and the Senate.

In my brief service here, I have come to know that Senator CANNON is one of the ablest Members of this body. I know that in his new position he will continue to serve our country with distinction.

Mr. WILLIAMS of New Jersey. Mr. President, I add my congratulations to the many already extended on the promotion to brigadier general in the Air Force Reserve of our distinguished colleague, the junior Senator from Nevada [Mr. CANNON].

It is a fitting tribute to his long and productive service in our country's Armed Forces and to his outstanding heroic feats performed during the last World War. I am exceedingly happy that my distinguished colleague received this highly merited appointment.

Mr. SYMINGTON. Mr. President, it was some months that we served together before I knew that HOWARD CANNON was a pilot; and some months more before I knew of his outstanding battle record in the defense of his country. I only mention this because it is typical of the man. He is one of the most modest great men it has been my privilege to know.

His records in the service have been presented well on the floor; but I should like to join with the distinguished Senator from North Carolina [Mr. ERVIN] in commending the Senator from Nevada for the work he does in committee. There is no member of the Committee on Armed Services who is more diligent, or more wise, or more constructive. Therefore, it is a great privilege to have the opportunity to serve with the Senator from Nevada, and I know these are the feelings of persons in the Air Force who also consider it a great privilege to serve with this American patriot.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Will the Senator from Nevada yield to the Chair?

Mr. BIBLE. It is a privilege to yield to the Presiding Officer, the distinguished junior Senator from Maine.

The PRESIDING OFFICER. The Chair understands that as the temporary Presiding Officer, he does not lose the privilege of the floor, so he should like to say that it has been a pleasure and a privilege to preside over the Senate while these tributes were being paid to the junior Senator from Nevada.

The Chair wishes to recall to the Senator from Nevada that during the campaign of 1958 he had the privilege of flying in the Senator's plane, with the Senator from Nevada as the pilot. The Chair can attest that the Senator from Nevada not only knows where he is going, but also knows with pinpoint accuracy the country over which he is flying.

It gives the Chair great pride and pleasure to join with other Senators in paying tribute to the junior Senator from Nevada.

Mr. BIBLE. Mr. President, I yield to the distinguished Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I certainly would not want to miss the opportunity to share in this wonderful occasion, and to commend a very fine U.S. Senator, a truly splendid man, and a friend to all of us.

I am one of the underprivileged Members of this body. I have not had the opportunity to sit alongside Senator HOWARD CANNON. I have had to be somewhat, at least, physically removed from him, although not spiritually and politically.

The great honor which has come to the junior Senator from Nevada by being made a general of the Air Force is, indeed, something which he well deserved. It is an honor not only to himself and to his State, but also to this body. Some of the tributes which have been paid to the Senator from Nevada today are notable ones within themselves.

When the Senator from Nevada and his family have an opportunity to read what has been said about him today, I feel certain that it will be a source of genuine pleasure and of many happy memories in the years ahead.

I salute my good friend. I wish him well. He not only flies well and flies high, but he knows exactly where he is going, and when he gets there he knows where he is.

Mr. BIBLE. Mr. President, I yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, there is little that can be added to what Senators have said today about the distinguished junior Senator from Nevada, who now is also a general. However, it is a pleasure to join with the Presiding Officer, with the first Secretary of the Air Force, with the majority whip, with the Senator's colleague, the distinguished senior Senator from Nevada [Mr. BIBLE], and all other Senators, to pay our respects to HOWARD CANNON, a man who

has made his mark in the Senate; a man who is known for his determination, his humility, his sense of understanding, and his sense of tolerance.

In honoring HOWARD CANNON, the Air Force has also honored the Senate; and by honoring the Senate, the Air Force has doubly honored the State of Nevada, as well.

So I am delighted to join with all Senators in congratulating the distinguished junior Senator from Nevada upon his most merited award.

Mr. BIBLE. Mr. President, I yield to the distinguished Senator from Washington.

Mr. JACKSON. Mr. President, I am happy to join with other Senators in honoring HOWARD CANNON. We who have served with him on the Committee on Armed Services know of the wise counsel and advice which he always has available for the committee and its members. He has demonstrated, time and again, that his vast experience, both as a Reserve officer and in the long time he served on active duty in World War II, has been invaluable to the committee in making important decisions.

On the lighter side, even if he is a brigadier general in the Air Force, he has established the fact that he can be most objective in dealing with the problems of the other sister services.

We are proud that HOWARD CANNON has been promoted from colonel to brigadier general in the Air Force.

Mr. BIBLE. Mr. President, I now yield to the distinguished junior Senator from Arizona, who is himself a pilot and an outstanding brigadier general in the Air Force.

Mr. GOLDWATER. Mr. President, I wish to compliment my friend, HOWARD CANNON, upon his promotion to the rank of brigadier general in the Air Force Reserve. Having been a reservist myself for more than 30 years, I have watched with great interest the way in which he has applied himself to the rather difficult job, at times, of keeping up his Reserve status. I know that before he became a Member of the Senate, his M-day assignment at Nellis Air Force Base was very assiduously taken care of.

I know his commanding officer very well, and spoke with him only the other night when he was in town to participate in the award of the Thompson Trophy.

HOWARD CANNON not only has kept up the requirements for promotion in the Air Force Reserve, in the matter of attending drills and corresponding work, but he is current in the flying of jet aircraft. I know that just recently he flew the B-58, which is our fastest small bomber. He does these things in addition to his Senate duties. I can say from experience that it is sometimes very difficult to do.

I am very happy to have General CANNON as my vice commander in the 9999th Air Force Reserve Squadron, which is a squadron of reservists who work on Capitol Hill.

General, I wish you all the luck in the world, and look forward to the time when that other star will fall from Heaven.

Mr. BIBLE. Mr. President, it is with great pleasure that I now yield to my distinguished junior colleague, the Senator-general from the State of Nevada. As I said earlier, the State of Nevada is mighty proud of him.

Mr. CANNON. Mr. President, I wish to express my appreciation to the distinguished senior Senator from Nevada and to my many other colleagues in the Senate who have said so many kind things in my behalf. I am deeply grateful. I assure them that many of those comments are, I feel, undeserved.

Mr. BIBLE. Mr. President, I yield the floor.

PRACTICAL PROOF OF THE WISDOM OF THE NATURAL RESOURCE MESSAGE OF PRESIDENT KENNEDY

Mr. SYMINGTON. Mr. President, the natural resources message of President Kennedy, recently transmitted to the Congress, stated that—

Wise investment in a resource program today will return vast dividends tomorrow, and failure to act now may be opportunities lost forever.

In support of this observation, I bring to the attention of the Senate figures showing just some of the dividends which have resulted from investments in water-resource projects in the State of Missouri.

The last 10 years have seen a rapid development of the Bull Shoals, Taney-como, and Table Rock areas, in the southern part of our State.

A recent survey showed the following facts about this area, the improvements being entirely the result of these developments:

	1950	1960
Banks:		
Bank deposits.....	\$2, 400, 000	\$9, 000, 000
Bank loans.....	\$960, 000	\$4, 515, 000
Schools:		
Valuation of school district.....	\$1, 813, 895	\$4, 806, 485
School enrollment.....	652	860
Teachers.....	28	37
School levy.....	\$1.70	\$2.70
Chamber of Commerce budget.....	\$2, 500	\$15, 000

It is also interesting to note what happened in the counties surrounding this development.

All Missouri counties surrounding Taney County, where most of this development is taking place, lost population during the past 10 years, as follows:

	Percent
Stone County.....	—17.
Ozark County.....	—24.8
Douglas County.....	—23.7
Christian County.....	—6.

But Taney County showed a net gain of 3 percent; and practically all of it was concentrated around the new lake area in question.

In 1953, Weldon Stein, an economist with the Federal Reserve Bank of St. Louis, estimated that tourist business brought approximately \$3.5 million income to the area. The present estimate is \$10 million.

Sixteen new motels are either under construction, or in the planning stage, on

the 3-mile access road to Table Rock Lake. Owners of land in this vicinity recently themselves raised \$10,000 to pay for paving the road.

Large numbers of retired people have moved into this area. It is almost the equivalent of new industry. Three hundred people, with an average retirement income of \$5,000 each, are equivalent to an industry with a \$1,500,000 payroll.

One of the local residents is now studying retirement villages financed by insurance companies. These are complete villages, with from 500 to 4,000 homes in them. In the past 5 years, practically all major denominations have built new churches.

An average of more than 100,000 visitors monthly came to the new Table Rock State Park, the past summer. All facilities were almost continuously occupied.

One of the most significant indicators of more prosperity was the Table Rock land sale held by the Empire District Electric Co. in June of last year. Thirty-three hundred acres sold at auction, in 28 parcels, for \$422,000.

Conditions in the world being what they are today, I am proud to be identified with an administration that has the wisdom and the courage to invest in the future of America.

LET'S GIVE THE SECRETARY OF AGRICULTURE A CHANCE

Mr. SYMINGTON. Mr. President, the proposed emergency feed-grain program of the Department of Agriculture would have authorized the Secretary to sell feed grains at market prices. House bill 4510 contains a similar provision, authorizing the sale of corn and grain sorghums at a price not more than 17 percent below the 1961 support rate—about \$1.

The bill proposed by the Senate Agriculture Committee, however, deletes this provision, and that is unfortunate. Without it, it will not be possible to sell Government-owned feed grains into the market in the manner proposed by the Secretary.

I make these remarks with great respect for my former chairman; the senior Senator from Louisiana, a true authority on the problems of agriculture.

I favor the provision in H.R. 4510, or the one recommended by the Department of Agriculture, in order to provide the Department with greater leeway in its sales policy, and to assure complying producers a higher price than that received by noncompliers.

Mr. President, all of us who went through the turmoil in 1956 on the corn program realize what happens when a noncomplier is, in effect, given just about the same "arrangement" as given a complier at the beginning of the program. As I remember the figures, in 1956 those who complied with the corn program were given \$1.50. Those who did not were told they would receive nothing. But later they received \$1.25. Without discussing the reasons, I believe this incident had tragic implications. Thereafter less decided they wanted to go along with the program. They were go-

ing to get nearly as much in unit price if they produced as much corn as they could.

A provision of this type is vital to the success of the emergency feed-grain program. With planting dates rapidly approaching, there is no time to design a mandatory-type program and submit it to referendum.

It is therefore, necessary to put into effect a program which will obtain a high degree of voluntary participation, and will not provide a price umbrella over noncooperators.

In that connection, let me say that those of us who have followed this program know that in the past a price umbrella has been provided over noncooperators. This is a grave problem.

The inclusion in the legislation of a provision of this type will serve as a strong incentive for producers to take part in the program, since at signup time they will know that the year's average market price will be below the support level.

It will obviously be to their advantage to take part in this voluntary program. The high degree of participation resulting from this provision will make support effective in increasing income for participating producers. The high degree of participation will also decrease production, and thereby will enable the Government to reduce its holding of feed grains. Maintaining the market price below support levels will assure consumers of fair and stable prices for meat, poultry, and dairy products.

A feed-grain program which does not permit sales of Government-owned feed grains at a price near the current market level—and which permits an increase in support rates—will obtain only limited participation.

Such a feed-grain program, obtaining only limited participation, will make reduction of Government feed-grain holdings unlikely.

During recent years, grain production has been greater than requirements, and stocks have accumulated. Without substantial participation, it will be impossible to reduce production sufficiently below requirements to make inroads in total carryovers. Without substantial participation, there will be no reduction in CCC inventories and no reduction in today's burdensome storage and carrying costs.

To be effective therefore, emergency feed-grain legislation—which provides higher supports—must include a provision that will obtain a high degree of participation and thereby will, first, reduce the large stocks of feed grains; second, decrease excessive Government carrying charges; and third, increase income of participating producers, but without materially affecting feed grain, livestock, and consumer prices.

As stated, the provision the Secretary desires would authorize him to move Government stocks of feed grains into the market at approximately current market levels.

So let us get it on the record.

If giving the Secretary this permissive right is not approved, he will have little, if any chance to reduce the current

tremendous inventory of feed grains—2.4 billion bushels valued at \$4 billion—and he can operate only to the further disadvantage of the farmer, the consumer and the taxpayer.

Mr. President, let us pass a law which will give the Secretary of Agriculture a chance.

Mr. HUMPHREY. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I am glad to yield to the distinguished assistant majority leader.

Mr. HUMPHREY. I wish to say to the Senator from Missouri that basically I concur in the observations he has made.

I have had made an analysis of the major provisions of the feed grain program for 1961, the House bill and Report No. 29, and the Senate bill (S. 993) and Report No. 59. The analyzing compares the various provisions of the House bill and the Senate bill. At the conclusion of my remarks I shall request unanimous consent to have printed in the RECORD a table which indicates the differences between the House bill and the Senate bill.

The Senator from Missouri emphasizes, first of all, the need for an incentive to get feed grain producers to come within the program, so as to reduce production.

Mr. SYMINGTON. That is correct.

Mr. HUMPHREY. The other point the Senator emphasizes is the power of the Secretary of Agriculture to bring about compliance by having authority to sell into the market, at market prices, grains that are presently in the possession of the Commodity Credit Corporation.

The fear of the Department in this matter is that, unless the so-called section 3 in the House bill is retained, producers might very well think that all corn is going to be \$1.20 a bushel, and other feed grains would have a related price according to their feed value or feed equivalent corn, and that, therefore, the Government would find itself either buying up a large amount of the grain being produced or that the market price would drop so drastically that there would be real economic hardship in the world community.

I am hopeful that when the two bills go to conference some of these difficulties may be ironed out. I think the Senate bill has many commendable features. I shall vote for the Senate bill. It is my view, however, that when we make this kind of a piecemeal approach, which is what is being done here, since it is emergency legislation, we must give

the Department the tools to do the job of bringing about a real balance between production and projected consumption.

COMPARISON OF THE HOUSE BILL AND THE SENATE BILL CCC SALES POLICY

Mr. President, H.R. 4510 authorizes, under section 3, CCC to sell feed grains at a price not less than 17 percent below the 1961 support price for such feed grains—that is, not less than 83 percent of the support price. The Senate bill contains no such provision; and, therefore, sales would need to be made under the existing authority.

H.R. 4510 provides the Department with greater leeway in a sales policy than currently exists so that the Department would have the authority to assure complying producers of a higher price than noncompliers. This is the way to get farmers to cooperate.

Inclusion of this type provision in the legislation will serve as a strong incentive for producers to take part in the program, since they would know at sign-up time that the year's average market price would be below the support level. It would obviously be to their advantage to take part in this voluntary program. The high degree of participation resulting from this provision will make support effective in increasing income for participating producers. The high degree of participation will also decrease production and thereby enable the Government to reduce its holdings of feed grains. Maintaining the market price below support levels will assure consumers of fair and stable prices for meat, poultry and dairy products.

A feed-grain program which does not permit sales of Government-owned feed grains at a price near the present market level—and which permits an increase in support rates—may obtain only limited participation.

Such a feed-grain program, obtaining only limited participation, will make reduction of Government feed-grain holdings unlikely. During recent years, grain production has been greater than requirements and stocks have accumulated. Without substantial participation, it will be impossible to reduce production sufficiently below requirements to make inroads in total carryover. Without substantial participation, there will be no reduction in CCC inventories and no reduction in today's burdensome storage and carrying costs.

To be effective therefore, emergency feed-grain legislation—which provides higher supports—must include provisions that will make it possible to obtain a

high degree of participation, and thereby reduce the large stocks of feed grains, decrease excessive Government carrying charges, and increase income of participating producers, without materially affecting feed grain, livestock, and consumer prices.

EFFECT ON PARTICIPATION OF REDUCTIONS REQUIRED FOR PRICE SUPPORT ELIGIBILITY

H.R. 4510 requires producers, in order to be eligible for price support, to reduce their acreage of corn and grain sorghums or any other feed grains specified by the Secretary by 20 percent of their 1959-60 acreage of corn and grain sorghums. S. 993 would require producers to make a 30 percent reduction in this acreage, including also other feed grains.

The increase in the required reduction of 30 percent by the Senate bill from that required by the House bill would result in reducing participation. Aside from other aspects, many producers who would be willing to reduce acreage by 20 percent may be considerably less willing to make a full 30 percent reduction.

Further, under the House bill, producers are extended the opportunity of making additional reductions over and above the 20 percent required to be eligible for price support. This would be accomplished by permitting producers to be paid in cash or kind, at the 50-percent rate on up to 20 acres if this is larger than 20 percent of their 1959-60 acreage. Producers also would have the opportunities, if they prefer, to retire an additional 20 percent on which they would be paid in kind at the rate of 60 percent of their normal yield.

I believe, these two provisions of the House bill would result in increased participation. The 20-acre provision will materially encourage participation by producers having small acreages of corn or grain sorghums, in that many would probably prefer to retire more than 2 or 3 acres. In some cases this would permit producers to retire an entire field or tract.

The increased participation that would come about is absolutely necessary if we are to reduce production below consumption, and thus make inroads in CCC stocks.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, a tabulation giving a comparison of the major provisions of the feed-grain program for 1961.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Comparison of major provisions of a feed grain program for 1961

Item (1)	H.R. 4510 (Rept. No. 29) (2)	S. 993 (Rept. No. 59) (3)
1. Price support level: (a) Corn..... (b) Other feed grains: Oats, barley, rye, grain sorghum.....	(a) Not less than 65 percent of parity..... (b) Fair and reasonable in relation to level for corn in consideration of their feeding value and factors set forth in sec. 401(b).....	(a) \$1.20 per bushel. (b) Fair and reasonable in relation to level for corn in consideration of their feeding value and factors set forth in sec. 401(b).....
2. Price support eligibility: (a) Corn and grain sorghum..... (b) Other feed grains..... (c) Soybeans..... (d) Other oilseed crops.....	(a) Participation required in special agricultural conservation program. (b) Participation required in special agricultural conservation program to extent prescribed by Secretary. (c) Participation required in special agricultural conservation program. (d) Participation required in special agricultural conservation program to extent prescribed by Secretary.	(a) Same as H.R. 4510. (b) Participation required in special agricultural conservation program. (c) No requirement. (d) No requirement.
3. Reduction from 1959-60 average acreage provided for in SACP: (a) Mandatory reduction..... (b) Further optional reduction.....	(a) 20 percent of corn and grain sorghum acreage (or optionally, up to 20 acres). (b) An additional 20 percent of corn and grain sorghum acreage.	(a) 30 percent of corn, grain sorghum, oats, rye, and barley acreage. (b) No optional provision.
4. Payment rates provided on reduced acreage.....	50 percent of average yield (in cash or kind) on mandatory 20-percent reduction. 60 percent of average yield in kind on additional optional reduction. The report clarifies that it might be possible for CCC to act as the agent of farmers in selling certificates.	50 percent of average yield (in cash) on 1/2 of the mandatory 30-percent reduction. 60 percent of average yield (in kind) on the other half of mandatory reduction. The bill clarifies that in-kind negotiable certificates would be valued at the support price, but redeemed at the market price. CCC would provide assistance in marketing certificates.
5. Minimum CCC sale price for feed grains.....	Not less than 83 percent of support price.....	Makes no change in current law, therefore minimum would be that level which would not substantially impair any price support program.

Other provisions which are different in the 2 bills:

1. H.R. 4510:

(a) Acreage diverted from corn and grain sorghums could be used to produce any nonsurplus, non-price-supported, nonfeed crop, in lieu of diversion to a soil conserving crop, but no payment would be made.

(b) Price support of corn and grain sorghum would be limited to the normal production of the harvested acreage. Neither of these provisions are in S. 993.
2. S. 993: Acreage devoted to nonconserving crops could not exceed the 1959-60 average, less the required reduction in feed grain acreage.

Mr. SYMINGTON. Mr. President, the distinguished senior Senator from Minnesota, as we all know, is one of the experts in this field. I have had the pleasure of sitting by him and with him under the chairmanship of the great senior Senator from Louisiana [Mr. ELLENDER]. I wish to say on the floor of the Senate this afternoon that, as a businessman, I became convinced, after years on that great committee, there were two basic problems which must be faced up to and licked if we are going to solve this agriculture problem. The first is we must get rid of these excess inventories. Anybody who has been in business knows that excess inventories are always potential dynamite to the future of any business. Therefore, one of the two most important actions the Congress should take is to make an effort to get rid of these inventories. The second is to see that, once we have gotten rid of the inventories, they never reappear in the future anywhere near to the degree and extent they have in the past.

My apprehension about this bill, which has been worked on by one of the most able public servants in this administration, Secretary Freeman, is that if we put this amendment into law we shall defeat both of these two major objectives. We shall not have legislation which will make it possible to get rid of the inventories; and, therefore, we shall not have legislation which will prevent those inventories from being built up further in the future.

It was for that reason I presented these thoughts to the Senate this afternoon.

Mr. HUMPHREY. Mr. President—
The PRESIDING OFFICER. The Senator from Minnesota.

Mr. SYMINGTON. Mr. President, do I have the floor?

The PRESIDING OFFICER. The Senator from Missouri has the floor.

Mr. SYMINGTON. I yield the floor to my distinguished colleague from Minnesota.

Mr. HUMPHREY. Mr. President, I wonder if the Senator from Wyoming will be willing to bear with us a moment in order to call up a nomination that is at the desk.

Mr. McGEE. Mr. President, what I have to say will take only a minute.

Mr. HUMPHREY. I should like to accommodate our colleague from North Carolina [Mr. ERVIN].

EXECUTIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate go into executive session and proceed to consider the nomination of Mrs. Gladys Avery Tillett to be U.S. representative to the United Nations Commission on the Status of Women.

The motion was agreed to; and the Senate proceeded to consider executive business.

UNITED NATIONS COMMISSION ON THE STATUS OF WOMEN

The PRESIDING OFFICER. The nomination will be stated.

The legislative clerk read the nomination of Mrs. Gladys Avery Tillett to be U.S. representative to the United Nations Commission on the Status of Women.

Mr. ERVIN. Mr. President, it is a rare privilege for me to have an opportunity to urge the confirmation of the nomination of a native of my town of Morganton, N.C.

When this appointment was made by President Kennedy, the Greensboro Daily News, of Greensboro, N.C., wrote:

If we were choosing a woman who exemplified North Carolina's best traits in ability

and character, Mrs. Charles Tillett would fill that bill.

Mrs. Tillett is a person of rare intelligence, profound education, and unsurpassed political courage; and even above these things, she possesses that quality which we call an understanding heart. Her understanding heart enables her to comprehend and sympathize with the problems of other people, and to seek to find for those problems sound and sensible conclusions.

I do not believe the President could have found a more qualified person for the post of U.S. representative to the United Nations Commission on the Status of Women than Mrs. Tillett.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point, as a part of my remarks, certain biographical data relating to Mrs. Tillett, and showing the great services she has rendered to her State and Nation in times past, an editorial from the Greensboro Daily News of Greensboro, N.C., from which I have quoted, and an editorial from my hometown paper, the Morganton (N.C.) News-Herald.

There being no objection, the statement and editorials were ordered to be printed in the RECORD, as follows:

WHO'S WHO OF AMERICAN WOMEN, FIRST EDITION, 1958

Mrs. Charles Walter Tillett (Gladys Avery) political worker, born Morganton, N.C. Daughter of A. C. and Sara Love Thomas Avery.

B.A. Woman's College, University of North Carolina, 1915. B.A., University of North Carolina, LL.D., 1948. Postgraduate, Columbia Summer School, 1925.

Married Charles W. Tillett, July 21, 1917. Children: Gladys Avery (Mrs. William I. Coddington), Charles W., III, and Sara Avery (Mrs. William W. Thomas, Jr.).

Organizer, first president, Mecklenburg County, N.C. League of Women Voters (First County League of North Carolina), 1922-23.

have been treated as second-class Americans are demanding their equal rights. Let us in the Congress join in this cause for racial justice.

A brief explanation of each of the measures which I send to the desk is as follows:

First. A bill to provide relief against certain forms of discrimination in interstate transportation, designed to implement Supreme Court rulings that segregation in interstate transportation is a denial of constitutional rights.

Second. A bill to extend to members of the Armed Forces the same protection against bodily attack as is now granted to personnel of the Coast Guard. That is really a technical bill.

Third. A bill to prohibit discrimination in employment.

Fourth. A bill outlawing the poll tax as a condition of voting in any primary or other election for national officers.

Mr. President, I joined with the Senator from Florida [Mr. HOLLAND] and other Senators in offering a constitutional amendment to attain this particular objective.

Fifth. A bill to strengthen certain criminal civil rights statutes and providing additional civil remedies to persons deprived of their civil rights.

Sixth. A bill to make lynching a Federal offense.

Seventh. A bill to indefinitely extend the Civil Rights Commission which is due to expire on November 8, 1961.

Mr. President, I believe the Civil Rights Commission has done good work and has acted as an objective observer and analyst of the progress of civil rights and, indeed, of the violations of civil rights in the Nation. It would be well for the Congress to establish a special joint committee on civil rights, so that the reports of the Civil Rights Commission may be studied in depth and in detail by a special committee in the Congress which could emphasize these matters.

I must say, Mr. President, if we can have a committee in the Congress on un-American activities, we surely ought to be able to have a committee in the Congress on the protection of civil rights.

The Committee on Un-American Activities, I hasten to add, could look into the areas of discrimination on civil rights and find some very un-American activities. It might be a very fertile field for investigation for whatever committee might wish to investigate. In the Senate, of course, we have the Subcommittee on Constitutional Rights which has done a very good job.

Mr. President, I ask unanimous consent that editorials from today's Washington Post and Times Herald and New York Times commenting favorably on the President's executive order setting up the new Committee on Equal Employment Opportunity be printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 8, 1961]

OPPORTUNITY BY ORDER

True to his campaign promise to move by Executive order against racial discrimination

in public business, President Kennedy has combined two existing committees into a new Committee on Equal Employment Opportunity. The order is far reaching. With Vice President JOHNSON as chairman and Secretary of Labor Goldberg as vice chairman, the committee will be empowered to obtain affirmative pledges from contractors to employ applicants without discrimination, to require compliance reports, to hold hearings and to publish the names of contractor or union violators, and to terminate existing contracts and forbid new contracts in the event of uncorrected discriminatory practices.

Whether the new committee will be more effective than its predecessors, which in the Eisenhower administration did a useful if somewhat timid job of breaking the ice in some areas, will depend in part upon the amount of determination supplied. The powers available to the new group are augmented in some respects but are basically similar to those previously authorized but infrequently invoked. The problems, particularly those with recalcitrant labor unions, remain very much the same (and here the services of Mr. Goldberg ought to be especially important).

Fortunately, there are many evidences that despite occasional anomalies such as the Meriwether nomination the Kennedy administration is indeed determined to advance equality of opportunity and civil rights generally through a combination of Executive leadership, conciliation, court action, and possible legislation. There are many challenges here in Washington as well as around the country. It is a significant fact that there are relatively few Negroes in the higher echelons of Government. Qualification and ability always ought to be the criteria, but the pattern suggests that other considerations may have been applied.

It is not to be supposed that even a vigorous and sustained effort can easily succeed in banishing racial discrimination in the areas covered by Government contracts, much less in the far larger area of non-governmental private business. Nevertheless, example is persuasive; moreover, the climate is changing rapidly, thanks in part to the wise adjustments that have been made in consequence of the sit-in movement. If the administration now will complement its legal action to insure respect for voting rights with a showing that it means business in its own hiring practices and in Government contracts, the day when equality of opportunity becomes a reality may be notably advanced.

[From the New York Times, Mar. 8, 1961]

"MOVING AHEAD" AGAINST BIAS

We applaud President Kennedy's forthright attack on discrimination in Federal employment through his Executive order setting up the new Committee on Equal Employment Opportunity.

For some years it has been the official policy of the Government not to discriminate against its own employees because of race, creed, color, or national origin. And the same policy has been required of companies in Government contract operations. But enforcement by the two previous committees in this field was much too sketchy—especially in the case of private contractors—largely through the lack of clearly defined powers and also personnel.

President Kennedy's order meets both these shortcomings with an imaginative and hard-hitting program—hard hitting in its possibilities, but tempered by education and persuasion. The antidiscrimination clauses in Government contracts and subcontracts will be wider and sharper than before. They will also be at least partly self-enforcing through the regular required reports to the committee as to compliance by the contractors and also subcontractors. And now the commit-

tee, by itself or through the Labor Department as its investigational arm, will be able to check these and probe for violations. That Labor Secretary Goldberg is Executive Vice Chairman of the Committee promises forceful action in this and other areas.

While the new Committee has no direct control over the affairs of labor unions, it may be able to help reduce what discrimination in them still exists, in spite of the firm policy against it of the AFL-CIO and its affiliates. The requirement of statements from unions involved in Government contracts that their membership policies are free from bias, with publicity in case of refusal, might at least bring the power of exposure to bear against discrimination.

We have no illusions that the new Committee can wipe out discrimination in Federal employment with more than deliberate speed, but it can do far more than has been done before, and faster. The Committee deserves unqualified public support, and also more permanence than has now been given it by an Executive order.

Mr. HUMPHREY. Mr. President, I understand one of the cosponsors of these bills, the distinguished Senator from Hawaii [Mr. LONG], wishes to join in this discussion, and I now yield to the Senator from Hawaii.

Mr. LONG of Hawaii. Mr. President, I wish to add my thoughts to those so ably expressed by my friend, the distinguished senior Senator from Minnesota. To me, the program envisioned by the bills here introduced is more than the sum of its parts. Each bill is designed—and, I believe well designed—to correct or ameliorate some specific evil or injustice that is now prevalent, or is possible under our laws.

The sponsors of these bills, among whom I am proud to be numbered, seek to deter discrimination in transportation, employment, and voting; to strengthen the guarantees of personal safety afforded to members of our Armed Forces and those in custody; and to implement further the existing constitutional safeguards by extending the life of the present Civil Rights Commission. These are all worthy ends in themselves and well worth the consideration of this body.

But I feel that this program would do more. Its enactment would be a milestone in the slow progress of humanity toward humanitarianism—a way-station on the long road toward the realization of the American dream.

For in reality this program goes far beyond deterring injustices. This is a program that will put the full legal and moral authority of the United States of America behind the concept of human dignity. Given this authoritative support, is it not reasonable to forecast that our communities and citizens will be more ready to uphold and vigorously to support this noble concept to which the great majority already subscribe?

My own State of Hawaii has long been noted for its interracial harmony. But this harmony is not merely the absence of specified discriminations or injustices. It is the acceptance of humanity in the large as being human—the adoption of the idea that no man is less nor more because of his race or religion. There is only one basis on which any human being can be judged, and that is personal worth.

In my view, Mr. President, recognition of human dignity in all persons is one of the loftiest goals to which we can aspire. Our laws, our institutions, our faith, and our own humanity cry out that dignity is that which makes a man. For without this essential ingredient, a man is less than a man. And who can face the consequences of reducing God's own creation to something less than the Creator intended?

The legislation introduced today would make dignity and full humanity for all, the stated, official and legal goal of the United States. We dare not do less.

FEED GRAINS PROGRAM FOR 1961

The Senate resumed the consideration of the bill (S. 993) to provide a special program for feed grains for 1961.

Mr. ELLENDER. Mr. President, I should like to address myself to the pending measure.

Within a few hours after the message came from the President and the Secretary of Agriculture, S. 993 was introduced in the Senate. Soon thereafter the Committee on Agriculture and Forestry met with the view of speeding up consideration of the bill. I am glad to say that the committee met and held hearings, and within hours the bill that is now before the Senate was reported for action.

The reason why we proceeded at such a rapid pace was the necessity for early passage of the bill. As all of us know, planting of corn and other feed grains has begun in quite a few areas of our country already. If the program is to be effective, in order to accomplish what the President and the Secretary of Agriculture desire, we must act upon the necessary legislation quickly.

I hope that the House will complete its deliberations on the bill today. I was informed a few moments ago that the House has started to consider amendments, and the probabilities are that final action on the bill will not take effect until probably 5, 5:30 or perhaps 6 o'clock tonight. Some Senators are desirous of deferring action until tomorrow, and have suggested that we merely consider the bill, make opening statements, and present reasons for the passage of the bill. Then it can go over until tomorrow, when in all probability the House will have acted on its bill. After a brief debate tomorrow, I hope we shall be able to call up the House bill when enacted and substitute the language of the Senate bill for the House bill, so that the measure can go to conference as soon as possible.

Mr. HUMPHREY. Mr. President, I think it should be understood that the remainder of the afternoon can be held open for discussion, as the chairman of the committee has indicated. But for the benefit of Senators who were concerned about whether there will be a vote tonight. I should like to say that

the vote will take place tomorrow, in light of the report we have received as to the action in the other body. The Senator has indicated that this would be the procedure.

Mr. ELLENDER. Earlier today I was informed that the House may complete its deliberations and send the bill over to us by 4 o'clock.

Mr. HUMPHREY. Yes.

Mr. ELLENDER. Of course, in light of that report, it was my view that we should consider our bill and act upon it today. But since it is apparent from the most recent reports given to me that the House will be a little late in completing its deliberations, it might be best for consideration of the bill to go over until tomorrow as soon as the presentation of the bill is made, and such other speeches as Senators desire to make are made. My hope is that Senators who desire to speak will do so, and that those who desire to ask questions will do so, so that we shall not be engaged in a long debate tomorrow. I should like to have quick action on the bill so that it can go into conference. I hope the Senate and House conferees will be able to get together and send a bill to the President not later than Friday, but, in any event as quickly as possible.

We have before us today a very simple bill.

It is a 1-year emergency program for corn and the other feed grains.

The purpose of the bill is to:

First. Raise farm income.

Second. Reduce stocks of feed grains.

Third. Reduce the cost to the Government.

It is imperative that immediate action be taken in the case of these commodities.

The President of the United States said in his message to the Congress that, and I quote:

I urgently recommend to the Congress the enactment of this emergency program so that it can cover the 1961 crop.

The existing program has failed. It has resulted in the accumulation of a burdensome and dangerous surplus, mainly of commodities for which there is no adequate outlet even under our expanded programs of providing food for those in need.

By this fall, the Nation will be confronted once again with a shortage of space in which to store grain. The shortage may amount to the off-farm space required for as much as 200 to 250 million bushels if we fail to take any preventive action now.

I may say in passing that I believe the President was estimating on the low side. It strikes me that if corn production, and in fact all grains follow the pattern of last year, we may need much more storage than what the President indicates.

Mr. President, as of January 31, 1961, the Government had \$4,246 million invested in 2,973 million bushels of feed grains.

Of course that includes corn, sorghum, and other feed grains, such as barley and oats.

The present open-end feed grain program designed by Mr. Benson to permit

farmers unlimited production and still provide price supports has been the principal reason for the high CCC stocks. From 1955 to 1960 CCC stocks of feed grains increased by 169 percent, and investment increased by 156 percent.

Mr. President, I ask unanimous consent to place in the RECORD at this point a table showing CCC investment in feed grains.

I invite Senators to study the table. It is indicative of the conditions in which the feed grain producers find themselves.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—CCC investment in feed grains, Jan. 31, 1955–60, compared

Commodity	Quantity	Per-cent change	Value	Per-cent change	Support price
	<i>Million bushels</i>		<i>Million dollars</i>		
Corn:					
1955.....	810		1,328		1.58
1960.....	2,056	+154	3,069	+131	1.06
Sorghum grain:					
1955.....	112		153		1.78
1960.....	754	+573	1,036	+577	1.52
Oats:					
1955.....	83		66		.60
1960.....	46	-44	26	-61	.50
Barley:					
1955.....	99		114		.92
1960.....	117	+18	115	+1	.77
All grains:					
1955.....	1,104		1,661		
1960.....	2,973	+169	4,246	+156	

Mr. ELLENDER. Mr. President, the costs for storage, handling, and transportation of Government-owned feed grain in fiscal 1960 amounted to \$289 million. This accounted for 48 percent of the total storage, handling, and transportation of all Government-owned commodities.

Of course, the feed grain program is aggravated by the substantial increases in yield per acre that have occurred in recent years.

For example, the yield per acre for corn has increased 30.5 percent since 1955, while that of sorghum grains has increased by 118.5 percent.

These tremendous increases in yield per acre, coupled with slight acreage increases for the above two crops, have caused the total supply of feed grains to reach an all-time high.

The total supply of corn as of October 1, 1960, amounted to an unprecedented 6,143 million bushels. This was an increase of 43.9 percent over 1955.

The total supply of grain sorghum increased 283.6 percent from 1955.

Mr. President, I ask unanimous consent to place in the RECORD at this point a table showing individual feed grains acreage, yield, and so forth. This table shows the vast increases that I have just pointed out in the production of corn and other feed grains.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—Individual feed grains: Percent change in acreage, yield per acre, production, carryover, and total supply, 1955–60

	Acreage harvested	Percent change	Yield per acre	Percent change	Production	Percent change	Carryover	Percent change	Total supply	Percent change
	<i>Million acres</i>		<i>Bushels</i>		<i>Million bushels</i>		<i>Million bushels</i>		<i>Million bushels</i>	
Corn:										
1955	79.5		40.6		3,320		1,035		4,266	
1960	82.1	+3.2	53.0	+30.5	4,353	+34.7	1,789	+72.8	6,143	+43.9
Sorghum:										
1955	12.9		18.9		243		75		318	
1960	15.4	+19.3	41.3	+118.5	638	+162.5	582	+676.0	1,220	+283.6
Oats:										
1955	39.2		38.3		1,503		303		1,809	
1960	27.1	-30.8	42.9	+12.0	1,162	-22.6	268	-11.5	1,435	-20.6
Barley:										
1955	14.6		27.5		401		131		560	
1960	14.0	-4.1	30.3	+10.1	423	+5.4	168	+28.2	606	+8.2

Mr. ELLENDER. Mr. President, record supplies of feed grains are available. Production of all feed grains combined increased 28.7 percent since 1955 due to an increase in yield per acre of 35.5 percent.

The increase in total production of all feed grains resulted notwithstanding a decrease in the total acreage of 5.1 percent caused by the decrease in the acreage devoted to oats.

Mr. President, I ask unanimous consent to place in the RECORD at this point a table showing all feed grains combined.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 3.—All feed grains: Percent change in acreage, yield per acre, and production, 1955–60

	Acreage harvested	Percent change	Yield per acre	Percent change	Production	Percent change
	<i>Million acres</i>		<i>Tons</i>		<i>Million tons</i>	
1955	146.2		0.90		130.9	
1960	138.6	-5.1	1.22	+35.5	168.5	+28.7

Mr. ELLENDER. Mr. President, in my humble judgment the production possibilities in feed grains demand emergency action.

While it is true that the total use of feed grains is increasing substantially, the fact remains that feed grain production has far out-stripped the use of these grains.

For example, total disappearance of corn increased by 33.6 percent from 1955 to 1960, but—and this is most important—the increase in the total supply of corn amounted to 43.9 percent. Use of sorghum grain also increased substantially. As a matter of fact, it out-stripped corn with an increase of 120.3 percent. But at the same time the total supply of sorghum increased 286.0 percent.

All together use of the four major feed grains increased by only 25 percent while the total supply increased by 42.6 percent, almost twice as much.

Mr. President, I ask unanimous consent to place in the RECORD at this point a table showing feed grains supply and disappearance.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 4.—Feed grains: Comparison of total supply and disappearance, 1955–60

	Total supply	Percent change	Total disappearance	Percent change
	<i>Million bushels</i>		<i>Million bushels</i>	
Corn:				
1955	4,266		3,100	
1960	6,143	+43.9	4,143	+33.6
Sorghum grain:				
1955	316		236	
1960	1,220	+286.0	520	+120.3
Oats:				
1955	1,809		1,462	
1960	1,435	-20.6	1,135	-22.3
Barley:				
1955	560		443	
1960	606	+8.2	441	-.4
All grains:	<i>Million tons</i>		<i>Million tons</i>	
1955	171		128	
1960	244	+42.6	160	+25.0

Mr. ELLENDER. Mr. President, as I said before, this is a simple bill. It is designed to reduce production. It is designed to increase farm income. It is designed to reduce the cost to the Government.

Mr. President, I may add that the bill is self-sufficient in that it contains all the necessary procedures which the Secretary of Agriculture must follow in order to administer it. We do not even refer to existing laws. Wherever necessary, we have included in the pending bill a repetition of existing laws, particularly in reference to the support price to be paid for sorghum, barley, rye, and oats.

As all of us know, there is written into law a certain formula whereby the Secretary of Agriculture fixes the support price for sorghum and other feed grains in relation to corn. I believe that is the only repetition of existing law of any consequence that we have made in the bill. The bill itself prescribes all the methods by which the Secretary of Agriculture is to proceed in administering the law, if enacted.

The bill is an emergency measure applicable only to 1961 crops. As amended by the Committee amendment, it would do three things:

First, it would increase feed grain price support levels,

Second, it would require the retirement of feed grain acreage as a condition of price support, and

Third, it would provide payments to farmers for such acreage retirement.

Under existing law the support level for corn is fixed at 90 percent of the average price received by farmers during

the preceding 3 calendar years, but not less than 65 percent of parity. For the 1960 crop under this formula the support price is \$1.06 a bushel. For 1961 the Secretary of Agriculture has estimated that this formula would result in a support price of \$1.05. Under the bill the support price for corn would be increased to \$1.20 a bushel.

Support prices for oats, rye, barley, and grain sorghums are fixed under existing law at fair and reasonable levels in relation to corn, and would continue to be fixed in the same manner under this bill. Thus, by raising the support level for corn, the bill would provide similar increases for the other feed grains. According to estimates furnished by the Secretary of Agriculture, the support price for grain sorghums of \$1.52 a hundredweight for 1960 would be increased to about \$1.88 for 1961. Oats would be raised from 50 cents a bushel for 1960 to about 62 cents for 1961; and barley would go from 77 cents a bushel to about 93 cents.

As a condition of eligibility for price support on any of the feed grains: corn, oats, rye, barley, or grain sorghums, the committee amendment would require producers to divert 30 percent of their 1959–60 average acreage of corn and grain sorghums to soil-conserving uses. Similar 30 percent diversions of oats, rye, or barley acreage could be required by the Secretary at his discretion.

The reason for this provision is that there is much of those three feed grains already planted, and the committee felt it could not deal specifically with those three commodities, as was the case with corn and sorghum, which are yet to be planted. The main planting will start in the South shortly. However, I believe it is safe to say that if the bill shall be enacted by Monday or Tuesday of next week, the Secretary of Agriculture will have ample time to deal with the situation, particularly in respect to corn and sorghum.

To accomplish the required diversion from corn and grain sorghums, producers would have to reduce their corn and grain sorghums acreage 30 percent, reduce their total acreage of nonconserving crops by the same number of acres, and devote that number of acres to conserving uses, neither harvesting nor grazing it. It was the intention of the committee that the land retired from feed grain production would actually be taken out of production. The producer would

not be permitted to divert it to other nonconserving crops, nor could he bring new land into the production of such crops.

For retiring feed grain acreage, as provided by the committee amendment, producers would receive payments in cash and in kind. Cash payment would be made for one-half of the acreage retired at a rate equal to 50 percent of the support price multiplied by the average 1959-60 yield of the commodity for the farm. Payment in kind would be made for the other half of the acreage retired at a rate equal to 60 percent of the support price multiplied by the same yield factor. Negotiable certificates would be issued for the value so determined and would be redeemable from Commodity Credit Corporation feed grain stocks valued at market prices at the time and place of redemption. Holders of payment-in-kind certificates would have to offer them for redemption within 60 days after their issuance, or bear the additional carrying charges accruing after that period.

The method employed or suggested by the committee is very simple. A value is placed on the certificate, the value being determined by the support price multiplied by average yield, as I have just indicated. The holder of the certificate can either sell the certificate or go to the Commodity Credit Corporation and buy, for the value of the certificate, any of the feed grains which Commodity Credit Corporation has in its possession. Although the value of the certificate is based on the basic county support rate, still the holder of the certificate can go to CCC and buy that amount of sorghum grain or any other grain. He can buy No. 3 corn, if he wishes, or he can buy No. 1 corn, all at market price. He can use, if he desires, the facilities of the Commodity Credit Corporation to dispose of the certificate, if he does not desire to take payment in kind. Such disposition, of course, would be made at prevailing market prices.

Now I shall make a comparison of the committee amendment with the bill as introduced.

The committee amendment is designed to carry out the President's proposal, but is more detailed than the bill as introduced. The bill, as introduced, provided the Secretary of Agriculture with general authority for a feed grain acreage retirement program. In other words, the Secretary was left with much discretionary power. The Secretary stated that his intention was to require a 20-percent diversion of feed grain acreage as a condition of price support and to provide for the voluntary diversion of up to an additional 20 percent. The committee amendment requires a 30-percent diversion as a condition of price support, and makes no provision for further diversion.

The bill, as introduced, provided for payments at rates fixed by the Secretary, who stated that it was his intention to make cash payments at 60 percent of the support price for the first 20-percent diversion, and payments in kind at 66⅔ percent of normal yield for the addi-

tional diversion. The committee amendment provides payments in cash at a 50-percent rate for half the required reduction and payments-in-kind at a 60-percent rate for the other half.

The bill, as introduced, contained two provisions permitting the Commodity Credit Corporation to sell feed grains at less than the support level. The first one related to payments in kind. Under the bill, as introduced, payments in kind would have been made through the issuance of certificates redeemable in cash or in kind, and the Commodity Credit Corporation would have been required to sell a sufficient quantity of feed grains at the market price to cover the cost of cash redemptions. The other resale provision was contained in section 3 of the bill. Section 3 of the bill, as introduced, authorized the Corporation to sell any feed grain at market price during the 1961-62 marketing year. The Secretary, when he appeared before the committee, suggested an amendment to section 3 which would have prevented the Corporation from selling feed grains under section 3 at less than about \$1.05 for corn, and comparable levels for the other feed grains. Sale at market price to cover cash redemptions of payment-in-kind certificates would, however, still have been required.

Neither of these resale provisions is contained in the committee amendment. Under the committee amendment, payment-in-kind certificates can be redeemed only in kind. Early redemption would be encouraged, since, after 60 days, deductions for carrying charges would be made. The value of such certificates would be known, and their effect on the market could be evaluated. The Commodity Credit Corporation minimum resale price would be fixed under existing law, section 407 of the Agricultural Act of 1949, at 105 percent of the current support price, plus reasonable carrying charges. The trade would, therefore, be encouraged to carry normal inventories, without danger of Commodity Credit Corporation sales at below support levels driving down market prices.

Mr. President, as I stated earlier, it is my hope that we shall debate this bill as long as necessary today, so that if and when the House passes its own version of the so-called feed grain bill, the Senate will then be ready, upon receipt of the House bill, to substitute the language contained in the Senate bill for the provisions of the House bill. I express the hope that that will be done not later than tomorrow. I express the further hope that the Senate will then have a conference with the House, and that the bill will be on the President's desk some time this week, and not later than Friday. However, I state frankly that I am a little dubious about that, because we shall not be able to act today on the House bill.

Mr. BURDICK. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. HART in the chair). Does the Senator from Louisiana yield to the Senator from North Dakota?

Mr. ELLENDER. I yield.

Mr. BURDICK. I compliment the able and distinguished Senator from Louisiana for his very fine presentation this afternoon.

I support the proposed legislation. I believe we must make an approach to the problem of the surplus which exists in this area.

One feature of the measure approved by the Senate Committee on Agriculture and Forestry causes me some concern. What provision of the version approved by the committee would either induce or attract compliance?

Mr. ELLENDER. Of course the increased price, and in addition, payment by the Government for the acres not planted to corn or other feed grains.

In that connection I wish to say that I am very hopeful that the producers of corn and other feed grains will comply with the measure which we seek to pass. To me, that will be an indication of whether the corn and other feed grain producers desire to have enacted any bill at all on this subject.

Mr. President, as I have often stated before the committee and, I believe, on the floor of the Senate, the corn producers have more or less been in a preferred class. Very few of the growers have shown any interest in a program similar to that for cotton, tobacco, peanuts, and wheat. As a result, the corn producers had almost carte blanche to increase acreage and produce more feed, without any penalties. I well remember that in 1956, when the soil bank program was being discussed, Mr. Benson said he thought it would do the job of reducing the corn production. So we passed the soil bank bill, and the corn acreage was reduced by approximately 5 million acres. But when the crop was gathered, instead of reduced corn production, there was an increase of 200 million bushels.

The Government spent almost \$180 million to carry on that program for corn alone, but there was increased production.

I express the hope, Mr. President, that the corn producers will come into the program. If they do not, let us end it, because they should be willing to comply with a program by means of which there can be effective control of the acreage and a consequent reduction in production, so the production will be in keeping with what we need. This will be an indication to me, as chairman of the committee, as to whether the corn producers do want a program. I hope there is at least 70 to 80 percent compliance. If there is that much compliance with the program provided by this bill, it will curtail production this year, as compared to that of last year, between 500 to 750 million bushels of feed grains.

Mr. BURDICK. Mr. President, will the Senator from Louisiana yield further?

Mr. ELLENDER. I yield to my friend.

Mr. BURDICK. Is it not a fact that the market price is somewhat influenced by the support prices?

Mr. ELLENDER. Oh, yes—necessarily.

Mr. BURDICK. Since this program is voluntary for the farmer, he will ana-

lyze it, and will decide what is best for himself. Suppose he decides not to go into the program, but increase his acres, believing the market price will be attractive to him.

Mr. ELLENDER. Of course there is that chance. But I express the hope that the producers of corn will not take that position, because, in that event—depending on what happens to corn and other feed grains this year—our entire program will be in jeopardy. In other words, as I have stated, we have an immense carryover of corn. The corn producers should recognize that, and should be willing to put their houses in order by following the provisions of the bill which we hope to enact, and it strikes me that they should follow through with it, after we have made the program so attractive for them. We propose to increase the price to \$1.20 a bushel, and if they take a cut of 30 percent in their acres, they will be paid for half the reduction in cash and for the other half in kind, to the extent I have indicated.

I think the proposal we are making to the feed grain producers is a very attractive one, and I hope they accept it and comply with it, so as to assist this administration to reduce the carryover of feed grain.

But if this bill does not pass, or if there is no compliance—as some may anticipate—we shall have to build more and more storage facilities, and that will require that additional sums be spent by the Government. The corn growers and the other feed grain growers should realize this, and should come to the assistance of their Government, in order to prevent further accumulation of the large supplies of corn and other feed grains.

Mr. BURDICK. I certainly hope there will be compliance. That is my only misgiving.

But I shall be happy to support the bill; and again I compliment the Senator from Louisiana.

Mr. ELLENDER. I thank the Senator very much.

Mr. President, as I have stated, it is my judgment that we have made the program attractive enough, and that the producers should comply.

Mr. SCHOEPPPEL. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. SCHOEPPPEL. Mr. President, I wish to say to the distinguished chairman of the Committee on Agriculture and Forestry, with whom it had been my pleasure to work a number of years before I elected to leave the Committee on Agriculture and Forestry, that I commend him for the approach and the sincerity of the methods in which he is trying to work this problem out with the other members of the committee.

As the Senator knows, I represent a State that is seriously interested in what happens to the wheat program and the sorghum grains program, not so much the corn program.

To many persons in my area, it was felt that the program placed considerable emphasis on the corn-producing areas, to the detriment of the sorghum grains producing areas. I notice in this

bill there is no relationship established between feed grain, on the value of sorghum grains, and corn.

Am I to understand, from what the distinguished chairman has said, that the Secretary of Agriculture will make that determination, and that he is permitted to do that on the basis of the analysis which the Department of Agriculture has heretofore pointed out on a number of occasions?

Mr. ELLENDER. The formula that is now in the law with respect to support levels for the feed grains other than corn is repeated in the present proposal.

In my opening statement I indicated the approximate amounts of price supports that would be made available for sorghums, as well as oats and barley, based on a price of \$1.20 a bushel for corn.

Mr. SCHOEPPPEL. I was out of the Chamber for just a few moments and missed the Senator's discussion on that point.

I think the bill under discussion is a great improvement over the bill which has come to us, and which I consider to be the administration's measure. I think it is a far better and a fairer bill.

I think the section in the bill which permitted the Secretary to sell on the open market below the support price, or \$1.05, would have done violence in a great many sections of the Nation, especially in those areas where the grain merchants had stocks of grain for sale on the open market. I think the proposal now before the Senate has strengthened the measure materially.

Finally, I wish to say to the distinguished chairman of the Agriculture and Forestry Committee that, while this is a 1-year period, and it is a trial period, I know something has to be done to eliminate the piling up of tremendous amounts of sorghum grains. In my State of Kansas and in other Midwestern areas the storage has pyramided greatly. I do not condemn the farmers who are doing it, because they have to get a return from their acreages based on the investments they have, and it is only natural for them to do so. I think we can try this approach for 1 year.

I do not know what will finally come before us as a wheat program, but we will cross that bridge when we come to it. I believe this measure will give us a trial period. I share the views of the distinguished chairman of the Agriculture and Forestry Committee when he says he hopes there will be compliance without positive police methods being used. Then we shall know what the sentiments and desires are. There is too short a period of time to have a referendum or some of the other methods we normally use.

Unless the bill is drastically changed by amendments, I intend to support it.

Mr. ELLENDER. In reply to the Senator from Kansas, on the question of the price of sorghums, according to the estimate furnished us by the Secretary of Agriculture, the price of sorghums per hundredweight in 1960 was \$1.52, and under the bill it would be increased to \$1.88. Barley and oats would be increased, also.

I am sure the bill as reported from the committee does not meet, on all fours, the views of all the members of the committee; but I honestly and sincerely believe it is the best we could obtain in the short time we had to consider it.

What I would have liked would have been a long-range bill affecting corn and other feed grains and wheat.

The Senator well remembers we passed in the Senate a couple of bills affecting wheat, but, unfortunately, on one occasion the House could not see eye to eye with us, and on the other occasion the President vetoed the bill.

I think it is incumbent upon us to enact legislation affecting wheat and corn on a long-term basis, because, if we do not, and if we continue with these vast accumulations, the whole farm program may be in jeopardy.

Mr. SCHOEPPPEL. If the Senator will yield further, I may say, finally, that I am looking forward to a long-range program that encompasses wheat in relation to sorghum grains and feed grains, because I recognize we are looking at this proposal as an emergency proposition and that time is running out for the seeding of crops this year.

Mr. ELLENDER. Let me add that I was told bills relating to wheat, corn, and other feed grains on a long-range basis are now being prepared and will be sent to us. As chairman of the Agriculture Committee, I entertain the hope of starting hearings on those bills as soon as we receive them, because, I repeat, I think it is urgent for us to enact legislation relating to those commodities.

Mr. SCHOEPPPEL. I thank the distinguished chairman.

NOMINATION OF LEE LOEVINGER TO BE AN ASSISTANT ATTORNEY GENERAL

As in executive session,

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I understand the Senator from North Dakota [Mr. Young] wants to be heard.

Mr. HUMPHREY. I wish to ask the indulgence of my colleagues for a moment. There is a nomination at the desk that I am going to ask the Senate to consider as in executive session. I ask the clerk to state the nomination.

The PRESIDING OFFICER. The nomination will be stated.

The legislative clerk read the nomination of Lee Loevinger to be an Assistant Attorney General.

Mr. HUMPHREY. Mr. President, I have known Mr. Loevinger for 20 or more years, and I knew his family, his father and mother, before him.

Mr. Loevinger's father was one of our most distinguished jurists.

Mr. Lee Loevinger is a former member of the Minnesota Supreme Court, an outstanding lawyer, a graduate of the University of Minnesota Law School, with honors, and one of the outstanding scholars in the field of antitrust law.

I believe that this is a most fortunate nomination and appointment. Mr. Loevinger will strengthen the Department

of Justice, particularly in that vital area of protecting the free enterprise economy by a sincere and conscientious policy of enforcement of the antitrust laws.

I am happy that his name is before us, and I am sure his nomination will be confirmed.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination?

The nomination was confirmed.

Mr. HUMPHREY. I ask that the President be notified immediately.

The PRESIDING OFFICER. Without objection, the President will be so notified.

FEED GRAINS PROGRAM FOR 1961

The Senate resumed the consideration of the bill (S. 993) to provide a special program for feed grains for 1961.

Mr. AIKEN. Mr. President, I send to the desk and amendment to S. 993 and ask to have it printed. This is an amendment to absorb part of the shock of the extra cost to the milk producers of this country in the event that the bill which is now under consideration should pass.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie at the desk.

Mr. YOUNG of North Dakota. Mr. President, I rise in support of the pending feed grain bill. It is only a temporary measure, of 1 year duration. It is far from perfect, but I believe it is a step in the right direction.

The failure to pass proposed wheat legislation in the past 4 or 5 years has resulted in an unnecessary piling up of wheat surpluses. By only a little compromise we could have enacted wheat legislation which would have retired at least 20 percent of the wheat acreage for each of the past 3 years. As a result of our failure to act, the wheat carryover has increased from 1,033 million bushels in 1956 to an estimated 1,485 million bushels by July 1 next.

During this same period of time there has been an even sharper increase in the carryover of feed grains. The carryover of corn has increased from 1,166 million bushels in 1956 to an estimated 2 billion bushels by July 1 next. Grain sorghums have increased from an 81 million bushel carryover in 1956 to an estimated 700 million bushel carryover by July 1 next.

The Commodity Credit Corporation now holds 2.7 billion bushels of feed grains, most of this being corn and grain sorghums. The total carryover of feed grains by July 1 next, is estimated at over 3 billion bushels.

If we do nothing at all it will mean that the Federal Government probably will have to find storage for some 200 or 300 million more bushels of feed grains this fall, and perhaps will have to acquire as much as 400 to 600 million additional bushels of supplies of feed grains.

Mr. President, most cattlemen and hogmen will agree that a great abundance of clean feed grains, sooner or later, will break meat prices. There is an old axiom which most farmers believe; that cheap feed prices mean cheap

meat prices. Few will quarrel with that conclusion.

Mr. President, the main provisions of the bill have been described very ably by the chairman of the Committee on Agriculture and Forestry of the Senate. The bill would require that a farmer would have to reduce his acreage of feed grains by as much as 30 percent if he wished to be eligible for the higher price support. He could keep on producing, as he is free to do now, all he wishes to produce, and market it free of penalty if he did not desire the price supports.

The price support for corn would be increased from \$1.06 to \$1.20 a bushel. There would be a comparable increase in the price supports for other feed grains, for oats, and barley, and sorghums.

There would be a fair payment in kind to the farmer for taking his land out of production.

Mr. President, the major provisions of the bill are in line with Republican policy. I wish to read a few sentences from the platform adopted by the National Republican Convention last year.

Acceleration of production adjustments, including a large-scale, land conservation reserve program on a voluntary and equitable rental basis.

Payment in kind, out of existing surpluses, as part of our land retirement program.

Mr. President, these and other provisions are pretty much in line with what the Republicans advocated during the last campaign. I think on the whole the bill represents a pretty good compromise between conflicting viewpoints of the various farm organizations and the two major political parties.

Mr. President, I may offer some minor amendments later. I hope they will be accepted, but if they are not I shall still support the bill because I believe it is a step in the right direction. We must do something to curtail the tremendous buildup of the feed-grain surpluses, as well as surpluses of other grains.

Mr. PROXMIRE. Mr. President, I have the greatest of regard and admiration for the chairman of the committee, the distinguished senior Senator from Louisiana [Mr. ELLENDER]. He worked very diligently on the bill, as he does on all bills.

It was very important that we have rapid action from the committee in respect to this bill. I do not know how the committee could have acted faster. We are all set to act, before the House bill has come over. The bill has been delayed. I understand the Senate is set to act as soon as the House bill comes to the Senate. By tomorrow we shall be in a position to vote on the bill.

I think the Senator from Louisiana deserves credit for having moved the bill along as fast as he has. However, I have the same kind of hesitation about this bill, or at least parts of the bill, as the distinguished junior Senator from South Dakota [Mr. BURDICK] expressed a little earlier.

The fact is, as very well set forth in a report from the Department of Agriculture which the senior Senator from Minnesota [Mr. HUMPHREY] put into the

RECORD, that under the provisions of H.R. 4510, the House bill, the Commodity Credit Corporation would be authorized to sell corn and grain sorghums at any price no lower than 83 percent of the current support price, during the 1961 marketing year for these grains. S. 993 would provide CCC with no such authority, since this measure is silent on sales provisions; consequently, CCC would be required to rely upon the authority now in the law. Present authority would limit CCC sales to prices which would not substantially impair any price support program.

The sales provisions in the House bill are vital in my judgment to the success of the emergency feed grain program. It must be remembered that this program is being developed in a climate of urgency, in an effort to obtain a better balance in feed grain supplies through actions which could affect 1961 crop production. The program is strictly emergency in nature, and would apply only to production from 1961 crops. Because planting time is rapidly approaching for corn and grain sorghums, there clearly is not time to develop a mandatory program which could be submitted to producers for referendum vote.

Because there is need for immediate action, and because the program is temporary and of limited duration applying only to 1961 crop production, there is every need to incorporate those provisions which would encourage maximum participation, since there is no way of knowing how much participation we are going to get in the program. Of course, if we do not get compliance, this program will be worth less.

In other words the program must be so attractive that producers would find it difficult to pass up, yet overall costs must be reasonable.

Producers will be alert to recognize that the support level for corn has been increased from \$1.06 to \$1.20 per bushel; thus they may be quick to believe that their returns would be maximized if they did not participate in the voluntary program, but instead produced large quantities of corn and other feed grains in anticipation of a markedly improved market price.

They have assurance that the price is not going to deteriorate more than 15 cents below the support price, in my judgment, under the Senate bill.

But if they believe, as well they might if the required authority reflected in the House bill is granted, that market prices would not reflect the higher support price, and could be significantly lower, there would be further and imperative reasons to participate in the voluntary program. It is important, therefore, that the desire to participate be encouraged to the utmost at the only time it can be effective—prior to planting. Authority for the Department of Agriculture to make feed grain sales in such volume as would prevent market prices from reflecting the new and higher support price would constitute strong and meaningful incentive to participate.

I might add, as the distinguished senior Senator from North Dakota stated, the Senate version would be less attrac-

tive to farmers than the House version, because it requires that 30 percent of the acreage be taken out, instead of 20 percent with an option to take an additional 20 percent. It is a much more decisive step which has to be taken at a time and under circumstances when the farmers could expect, under the Senate version, that the price for corn is going to be substantial, anyway, and might be close to \$1.20 in the market.

The Senate bill, S. 993, does not provide the kind of incentive required because it would leave unchanged present legislative authority to make sales. It cannot be overemphasized that there must be important benefits under this program which would be available to participants—and which would be withheld from those choosing not to comply.

A high level of participation will assure overall success of this emergency program. It would mean a significant decrease in feed grain production; it naturally follows that the Government thus would be able to liquidate some of its holdings of feed grains. We are all interested in the reduction of Government held stocks, for we all recognize the extent to which the continued carrying by Government of these stocks leads to additional high costs. Further, consumers have an important stake in this program, because the maintenance of market prices at levels lower than support prices will assure them of fair and reasonable prices in their purchases of dairy products, meat and poultry.

The distinguished senior Senator from Vermont [Mr. AIKEN], ranking Republican member of the committee, a very able student of agriculture, and one of the outstanding experts in the country on the program, voted against reporting the bill because in his judgment it would make for a cost-price squeeze on dairy farmers. I must say I am reluctant for that very reason, because my farmer constituents are overwhelmingly dairy farmers. I am very much aware of this fact, and therefore I think the House version, so far as it embodies freedom for the Secretary of Agriculture on the question of disposal, would be far better not only for the corn farmers, but also for the dairy farmers, the chicken farmers, and various other consuming farmers.

To summarize, it seems to me that the Senate version would result in a higher, not a lower surplus, and therefore a higher, not a lower cost to the taxpayer; and that the House version would result in more compliance.

Because there will be more compliance, there will be less planting. There will be less production, and a smaller surplus. There will be more use of the commodity surplus clause, and therefore disposal of the Commodity Credit Corporation's stocks.

In the third place, there will be better consumer pricing, as I have said. It will be more beneficial to the dairy farmers and other farmers who are customers of grains.

Furthermore, there is no question in my mind that in the long run the House version, in the respect that I discussed today, would be far better for the feed-producing farmer, because it would mean that his income would be improved. It would be better because I think, if this program were a failure, it might very well result in a situation in which the American people and the Congress, in response to the reaction of the American people, would simply throw the feed grain farmer and the corn farmer to the mercy of the free market, in which case we would have utter disaster, with failures, disasters, and a catastrophic break in farm income.

On the other hand, I think if the program were a success, if we achieved compliance—and the opportunities for compliance are far better under the House version—I think it would be possible for us to advance a program which would reduce the cost to the taxpayers, which would keep the price to the consumer as reasonable and as low as possible, and which provides for a steadily increasing income for the farmer. I say that with the greatest deference to the distinguished chairman of the committee, who has had a great deal of experience—far more experience than I have had in agriculture—and who has worked so hard and so effectively on the proposed legislation.

Mr. COOPER. Mr. President, I remember that in July of 1958, when the Senate was considering a bill having to do with corn, the Senator from Minnesota [Mr. HUMPHREY] offered an amendment. The effect of that amendment was to give to producers of feed grains a choice like that offered producers of cotton: Either to plant within allotments, which would have reduced feed grain acreage by 20 percent, and receive higher price supports at 85 percent of parity; or to grow all the corn they needed or wished and receive price support at not less than \$1.10 per bushel.

I remember that I voted for his amendment. However, it was defeated. At the time I thought the bill that we passed would result in increased production and an increased surplus. I predicted that corn production would be increased 600 million bushels, and would reach record levels of more than 4 billion bushels a year. Of course, that is what has happened.

I had the opportunity to hear the details of the proposal that was presented to us by the new Secretary of Agriculture, Mr. Freeman. I think he is making an effort to reach at least some emergency solution of the problem of overproduction of feed grains. Nevertheless, I believe the amendment which was drawn and which was accepted by the Senate Committee on Agriculture and Forestry is far superior to the bill that was proposed. I say that in no derogation of the purposes of the new Secretary of Agriculture, but chiefly because I would not like to see—and I am

not sure many others would like to see—the authority given to the Secretary of Agriculture that was proposed in the bill presented to us—in effect to manipulate the prices of grain.

I assume the purpose of that section, section 3, was to induce cooperation in his program. But I believe it would be a very bad thing to permit the Secretary of Agriculture to lower prices, and to raise prices, of grains, and thus in effect to maneuver market prices.

I believe the Senator from Louisiana [Mr. ELLENDER], our committee chairman, who had a great part in writing the bill which is before us, has performed a very valuable service. I believe all committee members did reserve the right to raise questions, and to offer amendments if we decided to do so after the bill had been reported.

I wish to submit some facts for the RECORD. I hope that the distinguished chairman will study these facts, and let me have his views upon them, if not today, at least tomorrow.

It seems to me that the feed grain bill before the Senate is similar in many ways to the acreage reserve of the soil bank, which was in effect in 1956, 1957, and 1958. The acreage reserve was ended because, while the reduction of crop acreage by participating farmers was excellent, the total production of corn continued to increase.

Under the acreage reserve any farmer having a corn allotment could put his entire allotment into the soil bank. The proposal before us permits the farmer to put only 30 percent of his acreage into this temporary land retirement program. I am deeply concerned that this plan will work, but I do not think anyone can say that it is certain to succeed.

When we consider the experience of the soil bank, under which the entire acreage allotment could be placed into reserve, I think we must consider whether this plan, which would permit only 30 percent of a farmer's feed grain acreage to be placed in reserve, would work.

Senators interested in reviewing the experience under the corn soil bank may wish to read the comparison prepared at my request by the Department of Agriculture, which appears in the CONGRESSIONAL RECORD of February 28, on pages 2624-2627.

I ask unanimous consent that there be printed at this point in the RECORD a table, which contains the latest information I could secure, from the last census of agriculture, showing the acres of corn harvested for all purposes. This table shows the situation several years ago, I must admit, but I assume the relationships have not changed much. The table shows that in 1954 there were 2,844,369 farms which produced corn, and that more than half of those farms harvested less than 15 acres of corn.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1954 Census of Agriculture—Acres harvested
for all purposes, corn

	U.S. farms	Kentucky farms
Harvested corn.....	2, 855, 001	137, 074
Under 3 acres.....	240, 193	22, 597
3 or 4 acres.....	276, 021	20, 743
5 to 10 acres.....	706, 390	41, 677
11 to 15 acres.....	323, 477	16, 104
16 to 19 acres.....	132, 250	5, 955
20 to 24 acres.....	190, 824	7, 941
25 to 49 acres.....	484, 174	15, 035
50 to 74 acres.....	250, 035	4, 198
75 to 99 acres.....	116, 895	1, 374
100 to 149 acres.....	93, 060	970
150 to 199 acres.....	24, 717	231
200 to 299 acres.....	12, 640	178
300 to 399 acres.....	2, 680	31
400 to 499 acres.....	918	27
500 or more.....	727	13

Harvested corn 1959, 2,144,036 farms.

Mr. COOPER. The question I raise is this: Would it be proper for farmers who raise 15 or fewer acres of corn to enter into a program under which the acreage they could place in retirement or in the reserve would be limited to only 30 percent of that amount—in other words, 4½ acres? I believe there must be a greater practical inducement to bring small farmers into this program.

I give an example to show what happened under the soil bank, which was well accepted by farmers producing corn. I have these figures from my own State. In 1958, 79,411 Kentucky farms had corn allotments totaling 930,550 acres. The average corn allotment was less than 12 acres; 23,023 farmers, having 330,267 allotted acres, agreed to join the corn soil bank, and they put 315,457 corn acres into the program. Therefore, nearly every farmer who participated put his entire allotment into the program, and grew no corn.

Mr. President, if this program could not succeed with these farmers putting their entire allotment into the plan, I believe we must consider whether a program which would permit them to put only 30 percent of their production into the plan would succeed.

Many farmers, especially those outside the Corn Belt, have small acreages of feed grains. If small farmers are not permitted to put their entire feed grain acreage into the program, it will result, I believe, in lower participation, a great burden of administrative work to determine that no less and no more than 30 percent of the land is retired and paid for, and little or no effect in reducing feed grain production.

I wish to offer an amendment which I would like the chairman, and other members of the committee, to consider. I would like to have all Senators who are interested in reducing feed grain production consider the amendment.

The effect of my amendment would be to permit any farmer to put into the retirement program as much as 30 acres of feed grains. I submit the amendment on the basis of the figures I have presented, which show that about one-half of all the farmers in the United States produced less than 15 acres of corn. In these circumstances, we might get a much larger participation if the farmers on small farms were permitted to take

out of production the entire corn acreage on those small farms.

I hope the chairman of the committee will take this amendment into consideration. We can discuss it further tomorrow.

Mr. AIKEN. Mr. President, I would like to ask the chairman of the committee what the program is in connection with the pending bill. I wish to speak for about 15 minutes, and possibly as long as 20 minutes, on the agricultural situation in general, with particular reference to the bill which is before the Senate today.

I have already submitted an amendment which would, I believe, go a considerable distance toward making up to the dairy people the additional cost which the bill now before the Senate would impose upon them, at a time when they can hardly afford to incur this additional cost.

I note there are very few Senators in the Chamber this evening. It is a quarter to 5. I wonder whether we could bring Senators to the Chamber by a quorum call. It might be that they would not be in a very good mood if we called them now. I was wondering if the debate could go over until tomorrow. I understand that the Senator from Colorado [Mr. ALLOTT] has a few questions to ask.

Mr. ELLENDER. I believe it was decided earlier in the afternoon that the bill would go over until tomorrow, and that no action would be taken on the bill tonight. I had proposed delaying action on the bill until we see the House bill.

Mr. AIKEN. That is advisable. The chairman is showing good judgment.

Mr. ELLENDER. I am sure the House bill will not come to us this afternoon. Therefore, consideration of the bill can go over until tomorrow. I am reasonably certain that the bill will be with us then, and we can dispose of it later, in a matter of hours, I hope.

Mr. AIKEN. I do not know of any protracted discussion which is expected to take place on the floor of the Senate. I only wished to make sure that further discussion would not be prevented, because I have a few remarks to make, which I would rather make in the morning than at this time.

Mr. ELLENDER. I have just been informed that the House will probably adjourn until tomorrow without passing the bill today. Therefore, there will be ample time to make speeches on it tomorrow.

Mr. AIKEN. I understand the House is considering some amendments. I do not know what the House intends to do with them. Of course under our rules we cannot discuss the action of the other House, or what it plans to do. However, I would be very much surprised if the House finished action on the bill tonight. From what I have heard, I am sure it will not finish action on it tonight.

Mr. ELLENDER. My information now is that the House will not pass the bill today.

Mr. AIKEN. The Senator from Colorado has some remarks to make. Does

the Senator wish to ask some questions of me?

Mr. ALLOTT. I had some remarks to make, and I also wish to ask some questions.

Mr. MILLER. Mr. President, I send an amendment to the desk. It deals with the pending bill. I ask that it may be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. ALLOTT. Mr. President, there is no question about the fact that the whole farm problem is one of the major problems that we must solve. I have studied the bill now before the Senate, and I must say that if we are to act, as the chairman of the committee suggested earlier today, we must act quickly in order to get the program into effect this year.

My own remarks now are by way of raising some questions, which I hope will be answered either now or in the further course of the debate. They give me real concern.

I believe it is a generally accepted theory among stockmen and farmers in general that low grain prices tend to produce low stock prices. I am not sure that this is always true, although most people would say that that statement is most axiomatic. The question that bothers me is this: If we have a program of this sort, how is it going to affect stock prices? In other words, if this program, as I envision it, would mean that the second half of the reduced proportion would be a payment in kind, and would tend to release small grains from storage, from the Commodity Credit Corporation, how would it affect the price of livestock?

If we consider the ordinary consumer, it will mean a reduction in the price of livestock. However, we must look further than that, because with respect to the great cattle and sheep areas, we must divide those areas into two parts. We must recognize, first of all, that the man who is a feeder, who puts the cattle on the market, is rarely to any great extent the man who is the breeder and the raiser. So there are these two elements in the agricultural economy which to some extent seem to me to have opposite interests.

For example, if the price of general grains go down as a result of a great many of these feed grains coming out of stock—and we assume that there would be a consequent reduction in the price of beef—then, while from the standpoint of the consumer this would seem to be fine for the moment, we must realize that we must carry this cycle one step further.

The next step from there is that if the feeder is to put his livestock on the market at a lower price, it means that he will either underestimate or receive less profits for those years, and the next year, when he goes on the market to buy what are known in the trade as feeders or young cattle or steers for feeding, he will of necessity have to buy them at a lower price. There will not be the bidders for them.

The secondary effect will be that the price of feeders will be lower. When that occurs, I think it is almost axiomatic that if the price of feeders is decreased, the interest in this particular segment of the stock industry is decreased; and by decreasing the interest in the stock industry, a shortage in feeders is brought about within a year or so. In the interim, many breeders and livestock raisers may have been forced out of business.

So at the end of the first or second year, as a secondary effect, it will suddenly be found that very few feeders are on the market, not so many cattle are being raised, and therefore those which are on the market will sell at a higher price. Therefore, the feeder will pay a higher price; and in paying a higher price, he will dispose of his stock to the public at a higher price. So we shall be right back at the place where we started, except that, by inference, in this cycle, in the balance, we may actually have created, in the long run, an increase in the price of livestock for public consumption.

I have seen this occur during most of my adult life. I do not pretend to know much about the practical aspects of livestock raising or breeding; but having lived in an agricultural community all my adult life, I have seen these things occur over and over again. I believe that what I have just suggested might or could well be the logical outcome of the bill.

I do not wish to detain either the distinguished Senator from Vermont [Mr. AIKEN], or the distinguished Senator from Louisiana [Mr. ELLENDER], the chairman of the committee, on the floor for any length of time, but there are two or three questions to which I should like to have answers. In my part of the country—and I speak generally for all the Great Plains area in this respect, those areas which are not irrigated, what we call dry land—there are two chief crops which are susceptible of growth in that great portion of that country. The first is wheat. We find that when farmers plant wheat in the fall, and they do not make a crop through the winter, when the snowfall is short, and moisture is short, very often, in the spring, in early June or the latter part of May, they will plow up the wheat and plant sorghums, maizes, milo, and things like that, which are feed crops.

I will direct my first question to the distinguished Senator from Vermont, since I asked him to remain in the Chamber—what he thinks the effect of the bill would be upon the growing or production of sorghum crops in my part of the country. Those farmers have produced certain amounts of grains, sometimes large amounts, sometimes small amounts. They would be pinned down to a 2-year average, as I understand the bill.

If they had grown good wheat crops in the past 2 years, and they might not have grown any of the feed grains, what would be the effect on the farmers of the Great Plains area?

Mr. AIKEN. So far as I am concerned, I will not attempt to read the

minds of the farmers of the Grain Plains area at this point. It is a good question for discussion as to whether they would participate in the program and have the benefits which would be almost as much in income as they would get from producing a crop, or might choose not to go into the program but would raise grains for feed.

At the beginning of his remarks, the Senator from Colorado raised a very interesting question; namely, the effect of feed prices on the production of meats. I can give him an example of that.

In 1958, Congress enacted new corn legislation, which has been in effect for 2 years. As a result of that legislation, some say, or as a result of exceptionally good corn-growing weather, others say, there has been an increase in the corn crop and an increase in the production of sorghum, as well. That has not, however, resulted in an increase in meat production per capita.

As of January 1, 1961, the number of cattle in the Nation was up 1 percent from the year before. The number of hogs was down 6 percent. The number of sheep was down 1 percent. The amount of poultry was down 3 percent.

It is quite apparent now that despite the lower price for grain and the support for corn, which has dropped from \$1.12 a bushel a year ago to \$1.06, as a result of the large supply which is on hand, the per capita supply of meats available in this country throughout 1961 will be somewhat less than it was in 1960.

The Senator from Colorado can judge the reason for that as well as I can. I would assume that, even at present support levels, perhaps it was found more profitable to turn the grain over to the Government than to produce meat. It might have been due to labor situations or to any number of other things. But the main thing is that the per capita supply of meat is down from that of last year. That is quite disturbing.

The Senator wants to know what would be the effect of raising the price of corn and the corresponding price of sorghum, and other feeds from their present levels—from \$1.06, for corn, to \$1.20. Would it result in more or less feed? I can answer that question very truthfully: I do not know. I cannot read the minds of the feeders in his part of the country. Sometimes they do exactly the opposite of what we anticipate they might do when we are working on proposed legislation. Certainly, the per capita supply of meat has dropped since the price of grain went down.

Mr. ALLOTT. I pose a further question. This is one thing which has always concerned me about payments in kind. As I understand the bill, the payments in kind must be taken out of the elevator. Is that correct?

Mr. ELLENDER. That is correct.

Mr. AIKEN. Out of storage.

Mr. ELLENDER. Owned by the Commodity Credit Corporation.

Mr. ALLOTT. Owned by the Commodity Credit Corporation. They would have to be taken out of storage.

Mr. ELLENDER. That is correct.

Mr. ALLOTT. This raises the very interesting, though I think pertinent,

question as to whether taking these stocks out of storage and putting them, in effect, on the market, would cause a depression of the grain prices, and would, in effect, lower grain prices and set in motion the cycle which I described a few minutes ago, which I think is a fairly true analysis of what may well happen.

Mr. ELLENDER. The committee gave thought to that problem. As I recall, the original bill contained a so-called section 3, which would have given the Secretary of Agriculture a more or less free hand to sell the grain at whatever the market would bring, so as to invite producers of grain to come into the program. I thought that if such a provision were left in the bill, it would certainly demoralize the grain market.

Mr. ALLOTT. I agree with the Senator's statement.

Mr. ELLENDER. It might cause the price of feed grains to go lower. As a general rule, the lowering of feed grain prices might cause more people to go into the chicken business. I do not believe that the number of livestock would increase greatly, because, as the Senator knows, 2 to 3 years are required to raise cattle for the market, whereas in the case of chickens, they can be produced in a matter of 8 to 10 weeks.

But I would have little fear of the effect on the market by virtue of withdrawing the grain for payment in kind, because the trade will know within a few months after the program is under way—

Mr. ALLOTT. Possibly by the first of June or July?

Mr. ELLENDER. Exactly—almost to the bushel how much will be withdrawn, because, as I have said, the bill provides for half of the reduction being paid for in kind and the other half in cash. The fact that the grain trade will know about how much will be withdrawn will mean that they can determine how much effect that will have on the market; and I do not believe the market will fluctuate too much.

So we may have a more or less steady price for grain, in contrast to what would happen if section 3 remained in the bill—thus giving the Secretary authority simply to put it on the market, in order to get the producers to participate. That was one of the objections which was raised by several members of the committee. After canvassing around, I thought that if a bill on the subject were to be enacted into law, it would be best to eliminate that provision, and in lieu thereof to have a program providing for payment in kind and in cash, but making it obligatory, rather than optional, as was the case under the original bill that the in-kind part of the payment actually be taken in kind.

Mr. ALLOTT. I may say that the chairman's analysis of what would happen under section 3 coincides with my own feeling about it. I have always felt that if we arranged for payments in kind, we might be arranging for something which we had not quite figured out, and they might possibly have an impact which we do not now anticipate.

Mr. ELLENDER. But on those acres they will not be producing any feed grain; and to the extent that there is a total reduction of acres, there will, in my opinion, be a decrease in the supply. That is the purpose of the bill; it is to divert acres from the production of grain, so our enormous surpluses can be reduced. It is figured out that if the present program were permitted to continue as it has in the past, without any new law this year, we would increase our grain supply by from 500 million to 750 million bushels. If we added all that to what we already have, there would be no telling what would happen. A good many of us believe that unless something is done in regard to corn and other feed grains and wheat, the entire support-price program may be in jeopardy. That was one of the reasons why we were so anxious to submit a bill which would be fairly acceptable—I do not mean to say that the acceptance would be unanimous, but more acceptable than the bill submitted by the administration.

Mr. ALLOTT. I appreciate the answer given by the distinguished chairman of the committee; and I agree that we have to go into this whole thing.

On the other hand, I would feel that I had not quite done my job if I had not raised some of these questions, which I believe will come to us in the future.

Mr. AIKEN. Mr. President—

Mr. ALLOTT. I yield to the Senator from Vermont.

Mr. AIKEN. I should like to say to the Senator from Colorado that I do not think anyone can forecast with any degree of accuracy what might be the effect on the feed market of putting the payments in kind on the market. Theoretically, when a farmer reduced his production 1 acre, he would be paid half in cash and half in kind. Therefore, a bushel of wheat which was paid to him in kind would be half the theoretical reduction of his production. Actually, however, that would not be so, because, as the Senator from Colorado knows, if a farmer had one acre which produced 15 bushels to the acre and had another acre which produced 45 bushels to the acre, and if his average thus was 30 bushels an acre, there would be no doubt about which acre he would put into the soil bank.

Therefore, when an amount equal to his average production times half of his half of his retired acreage is taken from Government storage and placed on the market and his actual production also reaches there, the amount on the market would be just about what it was before.

So I do not think we can tell what would be the effect of taking the payment in kind out of storage and putting it on the market, unless we know just what kind of acres will go into the soil bank, because I know that the farmers in Vermont—and I do not think the farmers in Colorado or in Nebraska or in any other State are any different—would not put their best acres in.

If the law were changed, so as to put the sales on a bushel basis, instead of on an acreage-planted basis, it might be possible to have enough control, so that

the grain taken out of the elevators would not have a depressing effect on the market.

Mr. ELLENDER. But let me point out that the payment in kind is to be made on the basis of average production on the farm.

Mr. AIKEN. That is right.

Mr. ELLENDER. And he will receive payment in kind at a rate equal in value to 60 percent of the support price.

Mr. AIKEN. Yes, the monetary value of the certificate would be based on 60 percent of the support price, which would place even more feed grains on the market.

Mr. ELLENDER. I understand. But I do not believe that the only advantage to the farmers would be to select any particular acreage, because what they have done in the past, in order to bring about the enormous increase, has been to use more fertilizer and better seed. That is really the principal reason for the enormous increase—as I pointed out in my earlier statement today.

Mr. ALLOTT. Mr. President, I should like to say to the distinguished chairman of the committee that I think it does have some effect, and I would agree with the Senator from Vermont. Although the payments are to be based on the average production, I think we can assume that in view of man's desire to make the most out of whatever he has—and what is true of any other business is also true of the farmers, business—the least profitable acres will be taken out of production, and the acres left in production will be the most productive ones.

Mr. CURTIS. Mr. President, will the Senator from Colorado yield to me?

Mr. ALLOTT. I yield.

Mr. CURTIS. I thank the Senator from Colorado. I should like to have him yield so that I may propound a question to the distinguished chairman of the Committee on Agriculture and Forestry.

Mr. ALLOTT. I yield for that purpose, Mr. President, if I may do so without losing the floor. I so request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CURTIS. In reference to the payment in kind, will the farmer have to take it in kind?

Mr. ELLENDER. No. That is to say, he will be able to do one of two things. I explained how the certificates would be issued.

Mr. CURTIS. Yes.

Mr. ELLENDER. And I explained that the value placed on them would be based on the price support provided by this bill. Then when the producer goes to cash in, he can go to the Commodity Credit Corporation and can say, "I want so many bushels of number one grain"—or of number two grain or of number three grain, or a combination of all—"for the value of this certificate." Then he can withdraw it. But if he does not want to do that, he can have the Commodity Credit Corporation help him sell the certificate so that he can get its value in cash.

Mr. CURTIS. He will have to wait until the sale takes place, will he?

Mr. ELLENDER. He can withdraw the grain at any time. Furthermore, withdrawal must be made within 60 days, or he will have to bear the carrying charges.

Mr. CURTIS. Yes. But suppose the transaction is entirely a paper one. When he is entitled to his payment in kind, suppose he gets his certificate and presents it to the Commodity Credit Corporation, and suppose that what he wants is dollars. Does the Commodity Credit Corporation then sell, from its stocks, sufficient corn to be able to give him the dollars to which he is entitled; and if so, at what price?

Mr. ELLENDER. The market price, in effect. The value of the certificate, as I pointed out in my main presentation, is based on the current support price, which would be \$1.20. The Commodity Credit Corporation would help the producer sell his certificate to someone who would use it to obtain feed grains from the Corporation at their market value in redemption of the certificate. It is essentially the same as a sale at market price. The producer would receive the cash and the purchaser of the certificate would receive the grain in return for paying the market price.

Mr. CURTIS. To that extent, then, the Commodity Credit Corporation will be selling grain at less than 105 percent of the support price.

Mr. ELLENDER. That is right; the grains would move at the market price at the time of the sale.

Mr. CURTIS. What does the Senator anticipate will be the effect of that on the market price?

Mr. ELLENDER. I do not think it will have any great effect, for this reason: The market as a whole will not be taken by surprise, because it will be possible to estimate the amount of grain that will be moved under this in-kind-payment program. It will be fixed in advance. Just as soon as the program is put into effect, the Secretary of Agriculture will be able to make a determination of how much grain will be moved within a given period. Because of this, the trade will know what will happen, and, therefore, there will be no material effect on the market price.

As I pointed out a while ago, if the Secretary of Agriculture were permitted to sell any amount at any time—

Mr. CURTIS. Such as was originally proposed?

Mr. ELLENDER. Yes; I can see the effect it would have on the market. It would have a drastic effect on the market. The price might be brought down to nil.

Mr. CURTIS. I am sure the distinguished chairman of the committee adheres to the philosophy that the purpose of a farm program is to raise prices the farmers receive for what they sell, and not to raise their income by other methods, insofar as possible.

Mr. ELLENDER. That is correct. The economists from the Department ascertained that if the program as proposed in the Senate bill goes through, it will increase farm income from 6 to per-

haps as much as 8 percent over what the income would be under the present program.

Mr. CURTIS. Is that the total farm income in the United States or the income of the individual producing the grain?

Mr. ELLENDER. Over what the income would be under the present corn and feed-grains program.

Mr. CURTIS. Is the Senator talking about the farmer who produces corn and other feed grains?

Mr. ELLENDER. Yes.

Mr. CURTIS. We will assume he sells it all or takes a Government program on it.

Mr. ELLENDER. Let us say that a farmer who produced corn and other feed grains last year will produce the same this year. If he took advantage of the bill we are proposing and curtailed his production to the extent of, say, 30 percent, and if there were as much as 70 percent compliance, the average such farmer would receive an income of from 6 to 8 percent greater than he would under the present law.

It is estimated that if the plan submitted by the administration were put into effect, the income would rise probably from 8 to 12 percent, as I remember the figures. The increase would be a little greater.

Mr. CURTIS. But it would not rise through a higher market price; it would rise through a higher Government expenditure. Is that correct?

Mr. ELLENDER. Both; it would rise because the farmer would be paid not to produce, and his expenses would be decreased. Then, the support price is being increased from \$1.06 for 1960 to \$1.20 for 1961. These factors, added together, would increase the income.

Mr. CURTIS. Distinguishing the original proposal as it came from the administration from the chairman's bill, did I correctly understand the original proposal would raise the farmer's income a little more?

Mr. ELLENDER. A little more; yes.

Mr. CURTIS. But that increased income would be arrived at to a less extent through a greater price at which he sold his products, and more through Government assistance?

Mr. ELLENDER. That is correct.

Mr. ALLOTT. Mr. President, I should like to return to that part of the discussion which I had before I yielded to the Senator from Nebraska, with respect particularly to the effect the bill would have on the farmers of the Great Plains area.

As the chairman of the committee well knows, 1959 and 1960 were very good years throughout the Great Plains area. As a result, there is less compulsion or necessity to grow sorghum or feed grains in that area, keeping in mind that in the upper plains areas, except in the irrigated sections, these are the only other crops that can be grown.

Do I correctly understand the bill to provide that if in this year, for example, a farmer went through the winter and found his wheat crop was a complete failure which did not justify his harvesting in July, he would be limited, in any par-

ticipation in this program, to grains he had grown in 1959 and 1960?

Mr. ELLENDER. Did the Senator say he planted wheat?

Mr. ALLOTT. I am assuming he planted wheat.

Mr. ELLENDER. As the Senator knows, this is not a compulsory program, and, of course, if the farmer to whom the Senator has referred planted wheat, and not corn, he would not be affected, because it is only the producer of corn and other feed grains who would come within the purview of the act.

Mr. ALLOTT. I am fully cognizant of that fact. Perhaps I have not explained adequately to the chairman the situation which actually exists, and which is a little difficult to understand. I am sure the Senator from Nebraska and the Senator from South Dakota, who are present in the Chamber, understand the situation. In a great portion of the Great Plains area, sorghums and milos are the only crops that can be grown as alternatives to wheat. As a result, a great deal of milo maize and sorghums is grown, not for their value alone, but also as a result of inability to grow wheat, as, for example, when the farmers go through a dry winter.

In all that part of the country to which I refer, there were 2 wonderful years, which were almost ideal for the production of wheat. I think through that area the production of wheat in 1959 and 1960 was the highest it has ever been.

That being the case, if, during the winter of 1961, the farmers find they would like to participate in the grain program, not having grown any particular grains as substitutes for wheat in 1959 and 1960, because they were doing all right with their wheat crop, would they be confined entirely to the historical production in 1959 and 1960, which was, as a consequence, in the instance of many individual farmers, low?

Mr. ELLENDER. Of course, almost the same language is included in other legislation. Under the bill the Secretary could prescribe certain rules and regulations covering conditions to which the Senator refers. If the Senator will look at page 6 of the bill he will find the language:

In accordance with regulations prescribed by the Secretary, the acreage of corn, grain sorghums, other feed grains designated by the Secretary, and other nonconserving crops for harvest in 1959 and 1960 may be adjusted to the extent the Secretary determines appropriate for abnormal weather conditions, established crop rotation practices for the farm, changes in the constitution of the farm, participation in soil bank or Great Plains programs, or to give effect to the provisions of law relating to release and reapportionment or preservation of history, and such other factors as the Secretary may deem appropriate.

We tried to cover that situation as well as we could.

Mr. ALLOTT. For legislative history, when there is a very dry winter, such as this winter in many areas, the language which the chairman has read, on page 6 beginning at line 11, would enable the Secretary to make necessary adjustments so that these farmers could grow

sorghums, maize, and so on, and voluntarily come under the program?

Mr. ELLENDER. That is correct. He has authority to make such adjustments if he believes them to be necessary.

Mr. MUNDT. Mr. President, will the Senator yield to me on that point?

Mr. ALLOTT. I am happy to yield to the Senator from South Dakota.

Mr. MUNDT. The agreement reached in the colloquy with the chairman of the committee is substantiated and underscored in 2 ways. The first is to be seen at the bottom of page 7, starting with line 21, in the language:

For the purposes of this subsection the average annual yield of each commodity shall be the average annual yield per harvested acre on the farm for the years 1959 and 1960, adjusted for abnormal weather conditions and other factors as determined under regulations prescribed by the Secretary.

I have in my hand a copy of the regulations prescribed by the Secretary in the Feed Grain Farm Survey Handbook, part 3, paragraph 13 of which subhead reads as follows:

"Indicating Reasons for Abnormal Planting."

These are the instructions which the county committees will receive. They in turn, have to forward through channels to the Secretary of Agriculture their recommendations as to what should comprise abnormal weather conditions and abnormal planting.

It says:

The county representative should also enter in available space on the acreage report from the reason(s), if any, given by the producer—

The man we are talking about, who has practiced a little different type of farming operation in a good year from what he practices in a normal year—

why a feed grain acreage should be considered abnormal and therefore not representative for the respective year. This information is important and will be considered in the establishment of a normal base acreage for the farm.

It seems to me that any valid and sensible interpretation of that language would certainly have to relate itself to the peculiar and unique conditions which the Senator described in his question to the chairman of the committee.

Mr. ALLOTT. Does the Senator agree that the same conditions I have described as being applicable to a great portion of the Great Plains area are applicable to a considerable portion of the Senator's State?

Mr. MUNDT. Yes. In certain segregated counties of South Dakota—I am sure this is probably also true in Colorado, and undoubtedly true in North Dakota, I say to the Senator from North Dakota, who is in attendance—the opposite has occurred. The reverse situation exists, since we have had a small drought in certain segregated areas.

I should like to have the attention of the chairman of the committee for a moment, to have his further assurance that the formula will work in both directions. I have in my hand a letter which came to my office today from the office manager of the ASC committee for

Grant County, Mr. A. J. Pufahl, who describes a condition prevailing in one or two counties of the State. I am sure this condition prevails in the general area of North Dakota, Minnesota, Montana, and Colorado, which have erratic seasons and erratic production. He points out that he has been filling out a recommendation, which he encloses, to go through channels to the Secretary of Agriculture. He says:

The attached feed grain acreage report for a sample farm assuming the same acreages were seeded both 1959 and 1960 shows what would happen to many South Dakota and Grant County farms in the 1959 crop year if the county ASC committee would not be able to adjust the figures on oats and barley that were cut for hay or failed that year. There are, of course, areas in the United States where oats, etc., for hay is a normal practice which should not be included in the feed grains.

The year 1959 was the first year since 1936 in Grant County when the drought situation existed.

You can see what would happen to many Grant County farmers if the failed acreages of barley and oats were not included in the grain figures. These farmers suffered loss of crops in 1959 and would again sustain a loss in 1961 if they participated in the program. It would be a factor also in program participation and in obtaining the necessary reduction of feed grains expected in this program.

I should like to have for the RECORD from the chairman of the committee a further assurance. I am sure it will be forthcoming, because it is our complete understanding as to the way the proposed legislation is written, which is borne out by the section which I have quoted in the instructions to the county committeemen, taken from paragraph 13 of the Department of Agriculture instructions.

When there are short crops as a result of an unusual drought in the years 1959 and 1960 this authority, which was cited by the chairman in response to the interrogation by the Senator from Colorado, would also operate to instruct the county committeemen in such counties to adjust the normal acreage upward to compensate for the unexpected and extraordinarily bad years.

Mr. ELLENDER. That is my interpretation. That is the purpose of the language, to give the Secretary the authority to make such adjustments as he believed necessary.

Mr. MUNDT. We put the language in the bill in two different places. It is not only in the section cited by the chairman, page 6, lines 11 through 23, but also on page 7, lines 21 through 25.

Mr. ELLENDER. The Senator is correct.

Mr. MUNDT. It is as clear as the English language can make it that the county committees would be expected to adjust the acreage allotments in terms of abnormal seasons, whether in the case cited by the Senator from Colorado, in which it would appear there were unusually good years which resulted in abnormal crop arrangements, or in a case such as the one I made reference to, in Grant County, where there was abnormally low production because of a temporary and unusual drought which

hit certain isolated counties in the State.

Mr. ALLOTT. I appreciate very much the questioning of the distinguished chairman of the committee by the Senator, and the answers by the chairman, because it seems to me with this colloquy we have created a legislative history on the bill which can be very important to Colorado and to other States. I would not have consumed all of this time had it been important only for Colorado, but the same applies to Texas, Oklahoma, Colorado, Kansas, Nebraska, South Dakota, North Dakota, Wyoming, and even Montana.

Mr. ELLENDER. I should like to give credit to my good friend from South Dakota for bringing all that up before the committee. The Senator was instrumental in having the language put in the bill, and I believe it was really copied from previous legislation, because the Senator referred to previous legislation and stated he felt something along the same line should be incorporated in this bill.

Mr. MUNDT. The chairman is correct. I know the chairman, who did a splendid and constructive job in improving the language as it first came from the Department and as it appears in the House bill, agrees that normally if we had written such legislation under ordinary conditions we would have provided for a period of several years in order to obtain averages. Since this is emergency legislation we must act promptly, if at all, in order to be helpful for the crop year which is now upon us. We did the best we could, then put the explanatory language in the bill and in the report, and it is now in the colloquy as a part of the legislative history in regard to the bill.

I am completely confident that no Department of Agriculture executive could operate honestly and accurately in defiance of what is the clear intention of the Congress to meet these conditions.

Mr. ALLOTT. I thank my good friend from South Dakota, who has been of great help in this matter.

Mr. HRUSKA rose.

Mr. ALLOTT. I yield to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, will the Senator yield for the purpose of my asking a question in the same area?

Mr. ALLOTT. I yield.

Mr. HRUSKA. As I understood the situation, as outlined by the Senator from Colorado, and also the situation as outlined by the Senator from South Dakota [Mr. MUNDT], their inquiries pertain to an area in which there was either a drought, overplanting, or underplanting of sorghums, particularly. I would like to ask the chairman of the Committee on Agriculture and Forestry whether, under the language of the statute, that same discretion and that same ability to adjust the situation would extend to situations in which farmers have been carrying out programs of good soil management by way of crop rotation and where they have taken out of production for that purpose acreage, and who, except for such language as is found in the statute, would be penalized thereby

because the base is only for 1959 and 1960 and for no other year. The language of the bill does include, as read in part by the chairman, established crop rotation practices for the farmer. Is it in the contemplation of that statutory language that the situation that I referred to would also be taken into consideration?

Mr. ELLENDER. I presume so. The idea we had in mind was to treat everyone fairly and to take into consideration normal conditions; and it strikes me, as the Senator from South Dakota [Mr. MUNDT] pointed out, that the Secretary would have ample authority to deal with the problem to the extent of bringing matters in focus as to normal conditions. That is the purpose.

Mr. HRUSKA. It is the purpose.

Mr. ELLENDER. We raised the point with respect to going back 3, 4, or 5 years, as the Senator pointed out. We were given to understand that it would require too long time to obtain the facts as to each farm, and that in many instances it would be more or less guesswork. I believe that the bill contains the best solution to the problem that is now under discussion.

Mr. MUNDT. I believe there is further assurance that what the chairman says will eventuate, by the fact that in paragraph 13 of the instruction sheets to the county chairmen that I quoted, they are asked to secure from the producer any deviations which may exist from the fact that 1959 and 1960 might have been normal years. He is asked to write in, in a specified place in the blank, why he believes there is some deviation from the normal. That is about as far as one can go. We must have some starting point. Obviously, if we could have a 5- or 10-year span, we could work the problem out mathematically. But the bill simply selects 1959 and 1960 as target areas, because if there were normal conditions in a crop, there is a mathematical base from which to operate. If they were not normal, the office is asked to solicit from the producer his estimate of what would be normal, and what his reasons are for the abnormality of the crop.

The committee was asked to take those factors into consideration in their recommendation. It seems to me that it is a pretty clear-cut guarantee that they will meet conditions of that type.

Mr. HRUSKA. But that provision refers only to climatic conditions; it would not refer to a situation in which there would be an abuse by one farmer in overplanting, and in that case contributing to the surplus. His base for 1959 and 1960 would then be high. Therefore his reduction would be relatively low.

Compare that condition with the situation of the conscientious farmer who would not overplant and who would not abuse the situation. He carries out in a normal fashion good soil management practices. He carries out the idea of rotating crops and keeping them out of production. He is doing something that is perfectly normal in a good soil management program. Such activity on his part would mean that his base for 1959 and 1960 would be low. Therefore his

production under the proposed program would be low.

Mr. MUNDT. I cannot see that what the Senator from Nebraska describes would have particular bearing on the target year of 1959 and 1960, except in the case of a first offender. If he is chronically a good farmer, and chronically and traditionally practices good conservation procedures, he would find himself in the same situation if we should extend the averages from 1955 and 1956, and have 5 or 6 years instead of 1.

Mr. HRUSKA. Except that prior to 1959 he would have had unlimited production of corn, for example. It was at that time that we started unlimited acreage production.

Mr. MUNDT. To all intents and purposes, however, throughout the country the percentage of compliers, if I remember correctly, was 8 or 10 percent who cooperated; so we virtually had unlimited production in 90 percent of the cases.

Mr. ELLENDER. To go further into the problem raised by the distinguished Senator from Nebraska [Mr. HRUSKA], it would be almost impossible to deal specifically in the bill with the problem as he states it. I do not believe that anyone has the capability of drafting legislation that would apply to all conditions. It might be unfortunate for the farmer who followed good practices in soil conservation to be at a disadvantage in contrast to the man who planted from fence to fence, because he had the opportunity to do so. How that situation could be covered I do not know. But it is safe to say that the language in the measure provides wide discretion for the Secretary of Agriculture to make adjustments.

I ask the Senator from Nebraska not to forget that the bill is more or less a crash program and is limited to 1 year, and the reason for it is to try to reduce the enormous surpluses that we now have on hand and not further to aggravate them. That is the purpose of the measure.

Mr. HRUSKA. It seems to me that the language of the bill is really a delusion. It is quite deceitful in that it refers to the fact that the acreage of corn may be adjusted to the extent that the Secretary determines appropriate for established crop-rotation purposes for the farm, and I do not think it means a thing. It cannot mean a thing, particularly in view of the fact that the time element is so short. It is now March 8. It will be very, very short in respect to the planting that will have to start, and it will take a little while to issue regulations and make determinations. I do not think it means a blooming thing.

Mr. ALLOTT. Mr. President, I will conclude in a moment. There is one other provision which I had hoped would be included in the bill. No other possible time could be as appropriate as the present to take care of that situation, as we try to determine what the average yield or the average production is. I have been convinced for many years that there will never be any meaningful control of crop production until such time

as it is done on a bushelage basis or on some other unit basis.

Members of the Committee on Agriculture and Forestry have told me over and over again that this cannot be done. I would be very happy to hear from them as to why it cannot be done.

The obvious fact is that, no matter what bill we pass, we will be faced constantly with increasing production as long as we are getting better types of feed, as long as we are getting better fertilizers, and as long as we are applying better ways of farming.

Mr. President, I yield the floor.

Mr. BURDICK. Mr. President, I have taken the time to study the provisions of these two measures, the House bill and the Senate bill. In many respects they embody provisions which are nearly enough alike as not to constitute problems.

The point about which I am concerned is that dealing with providing the Department of Agriculture with authority to sell feed grains, corn and grain sorghums, at prices below the support level during the 1961 marketing year for these feed grains. The Senate version does not contain this authority—the House bill does, and in a manner that provides a suitable safeguard to insure reasonable stability of market prices.

What the House bill does on this point is to authorize the Commodity Credit Corporation to sell corn or grain sorghums during the 1961 marketing year at a price no lower than 83 percent of the support price. If corn is to be supported at \$1.20 a bushel as contemplated, this means a selling price of about \$1. Because the Senate bill does not include a provision of this kind, CCC in its sales operations must of course rely upon present provisions of law—in the case of feed grains this means that sales it makes must be at a price level which would not substantially impair any price support program. I recognize what the Congress had in mind in enacting the provisions of present law—they simply wanted to protect the price support program in a way which would permit it to work better. What we are discussing today, however, is an emergency feed grain program designed to reduce 1961 production. The program will be completely voluntary, with each individual producer having the opportunity to make his own decision; planting time is almost upon us and there just wouldn't be an opportunity to submit a program of this kind for a vote of all producers. Any producer who cooperates in this emergency program, however, by reducing the 1961 feed grain acreage, can be assured of the support price through the loan program. And it is the cooperators production that we all are interested in supporting—not the production of those who choose not to participate. One of the important things that this sales authority included in the House bill will do is to make it clear that noncompliers will not have a "free ride" by taking advantage of market prices which might be close to

support prices, but at the same time will not have contributed to the success of the program by voluntarily agreeing to reduce their production.

I would prefer the adoption of the House measure, including section 3 which relates to the sales authority I have been discussing. It is my conviction that this measure will markedly increase participation in the program, will provide full price support benefits to compliers, will deny such full benefits to noncompliers, and will enable CCC to move into consumption uses some of its feed grain supplies now held in Government storage. Nevertheless, I shall support this legislation, as our best chance to pass legislation in this area, in the Senate.

Mr. HART. Mr. President, the chairman of the Committee on Agriculture and Forestry the Senator from Louisiana [Mr. ELLENDER] should be complimented for moving the feed grain bill as rapidly and as wisely as he has. I know that we get advice from many distinguished agricultural economists, and that advice is always welcome.

However, it occurs to me that Senators might enjoy, as certainly I did, an expression from a source which we always talk about but not always listen to, the grass roots. Therefore, I ask unanimous consent that a letter written to me on the feed grain problem, by Mr. Stanley Vorce, of Cross Village, Mich., be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 2, 1961.

HON. PHILIP A. HART,
Washington, D.C.

DEAR SENATOR HART: I have just returned from an ASC district meeting on feed grains (held at Mio). The opinion of most farmers' committeemen I talked to was favorable for this program; of course one runs into a few who are skeptic of any Government help. There were about 40 committeemen there—that would give a good average for the northern part of lower Michigan. I personally have long thought something that would reduce the acreage of grain in a nongrain area and withdraw it from surplus would help.

Your reports on your approach to agriculture problem are much appreciated and it is heartening to know the farmer has a Secretary who is sympathetic to agriculture.

Respectfully yours,

STANLEY VORCE.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, in view of the fact that there has been a slight delay in the consideration of the feed grains bill in the other body, and after discussing the subject with the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], I should like to bring to the attention of the Senate the possibility that tomorrow, after the morning hour, we may, with the approval of the chairman of the Committee on Agriculture and Forestry and the ranking minority member, the Senator from Vermont [Mr. AIKEN], lay aside the feed grains bill temporarily until action has been taken in the House, and in the meanwhile take up the de-

pressed areas bill, on which there will be no vote tomorrow.

Mr. MUNDT. Mr. President, will the Senator yield for a question?

Mr. MANSFIELD. I yield.

Mr. MUNDT. I wonder if the Senator from Montana could throw some light on what he means by a slight delay in the other body. Are they not going to act on the measure today?

Mr. MANSFIELD. That is my understanding. They have finished debate for today and have gone into special orders, if they have not already adjourned. They will take up the bill tomorrow. They have two or three amendments to consider, and on the basis of what information I can get, which is very tentative, it may be around 4 o'clock or so before they finish consideration of the bill.

Mr. MUNDT. Mr. President, will the Senator yield further?

Mr. MANSFIELD. I yield.

Mr. MUNDT. Under the suggestion proposed by the majority leader, we could still hope to finish the consideration of the feed grains bill in the Senate tomorrow, could we not?

Mr. MANSFIELD. Oh, yes.

Mr. MUNDT. Because, as the Senator from Louisiana said earlier today, time is of the essence on this measure. This is planting time somewhere in America every day, and to make the bill workable with as many people as possible, the sooner we pass upon it—accept or reject it—accept it, I hope—the better the farmers can plan their planting.

Mr. MANSFIELD. The Senator is absolutely correct. As soon as the House completes action on the bill we will displace the depressed areas bill in the Senate and return to the consideration of the feed grains bill.

The purpose of my statement was to announce to the Senate that there was a strong possibility that this would happen tomorrow. It has been cleared with the minority leader and with the chairman of the committee and with the ranking minority member of the committee.

ADJOURNMENT

Mr. BURDICK. Mr. President, I move that the Senate adjourn until noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 44 minutes p.m.) the Senate adjourned until tomorrow, Thursday, March 9, 1961, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 8, 1961:

The following-named persons to the offices indicated:

FEDERAL TRADE COMMISSION

Philip Elman, of Maryland, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1956.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Martin W. Oettershagen, of Illinois, to be Administrator of the St. Lawrence Seaway Development Corporation.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Boisfeuillet Jones, of Georgia, to be Special Assistant on Health and Medical Affairs to the Secretary of Health, Education, and Welfare.

FARMERS HOME ADMINISTRATION

Howard Bertach, of Oregon, to be Administrator of the Farmers Home Administration.

POST OFFICE DEPARTMENT

Richard James Murphy, of Maryland, to be an Assistant Postmaster General.

Ralph W. Nicholson, of New York, to be an Assistant Postmaster General.

UNITED NATIONS

Avery F. Peterson, of Idaho, a Foreign Service officer of class 1, to be the representative of the United States of America to the 17th session of the Economic Commission for Asia and the Far East of the Economic and Social Council of the United Nations.

DIPLOMATIC AND FOREIGN SERVICE

J. Graham Parsons, of New York, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Sweden.

Miss Frances E. Willis, of California, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ceylon.

Frederick E. Nolting, Jr., of Virginia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Vietnam.

DEPARTMENT OF AGRICULTURE

Charles S. Murphy, of Maryland, to be Under Secretary of Agriculture.

Message received from the government of the District of Columbia, March 8, 1961:

DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

Pursuant to the provisions of section 4(a) of Public Law 592, 79th Congress, approved August 2, 1946, the following-named person for reappointment as a member of the District of Columbia Redevelopment Land Agency:

Neville Miller, for a term of 5 years, effective on and after March 4, 1961.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 8, 1961:

EXPORT-IMPORT BANK

Charles M. Meriwether, of Alabama, to be a member of the Board of Directors of the Export-Import Bank of Washington.

UNITED NATIONS

Mrs. Gladys A. Tillett, of North Carolina, to be the representative of the United States of America on the Commission on the Status of Women of the Economic and Social Council of the United Nations.

DEPARTMENT OF JUSTICE

Lee Loevinger, of Minnesota, to be an Assistant Attorney General, vice Robert A. Bicks, resigned.

WITHDRAWAL

Executive nomination withdrawn from the Senate March 8, 1961:

FEDERAL TRADE COMMISSION

Earl W. Kintner, of Indiana, to be a Federal Trade Commissioner for the term of 7 years from September 26, 1960, which was sent to the Senate on January 10, 1961.

Withdrawal message received from the government of the District of Columbia March 8, 1961:

DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

Mr. Neville Miller to be a member of the District of Columbia Redevelopment Land Agency, to succeed himself for a term of 5 years, effective on and after March 4, 1961, which was sent to the Senate on January 3, 1961. The nomination of Mr. Miller for reappointment as a member of the District of Columbia Redevelopment Land Agency was resubmitted by the new Board of Commissioners under date of March 6, 1961.

S. 993

IN THE SENATE OF THE UNITED STATES

MARCH 8, 1961

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. CAPEHART to the bill (S. 993) to provide a special program for feed grains for 1961, viz: At the end of the bill add the following new section:

1 SEC. 3. Notwithstanding any other provision of law,
2 with respect to the marketing year for the 1961 crop of any
3 feed grain commodity for which price support is made avail-
4 able under this Act, the Commodity Credit Corporation shall
5 not sell any such commodity at less than 25 per centum
6 above the current support price for such commodity, plus
7 reasonable carrying charges.

AMENDMENT

Intended to be proposed by Mr. CARMICHAEL to the bill (S. 993) to provide a special program for feed grains for 1961.

MARCH 8, 1961

Ordered to lie on the table and to be printed

Calendar No. 54

87TH CONGRESS
1ST SESSION

S. 993

IN THE SENATE OF THE UNITED STATES

MARCH 8, 1961

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. COOPER to the bill (S. 993)
to provide a special program for feed grains for 1961, viz:
On page 8, between lines 20 and 21, insert the following:

1 (d) The producers on any farm may elect to increase
2 the total acreage—

3 (i) diverted from feed grains under clauses (1)
4 and (2) of subsection (b) ;

5 (ii) diverted from nonconserving crops under clause
6 (3) of subsection (b) ; and

7 (iii) devoted to soil and water conserving uses
8 and withdrawn from crop production or grazing under
9 clause (4) of subsection (b)

10 to any amount up to thirty acres. Producers electing to

1 make an additional reduction of feed grain acreage under
2 this subsection shall be entitled for the number of acres of
3 each commodity represented in such additional reduction
4 over the number of acres of such commodity represented in
5 the required reduction to additional payments under clauses
6 (1) and (2) of subsection (c). The additional reduction
7 provided for by this subsection shall not be a condition of
8 eligibility for price support. The Secretary shall permit
9 the producers on any farm to divert acreage from corn or
10 grain sorghums in lieu of other feed grains under any pro-
11 vision of this section upon such basis as the Secretary deems
12 appropriate to assure that the producers on each farm may
13 divert up to thirty acres from corn and grain sorghums.

87TH CONGRESS
1ST SESSION

S. 993

AMENDMENT

Intended to be proposed by Mr. COOPER to the bill (S. 993) to provide a special program for feed grains for 1961.

MARCH 8, 1961

Ordered to lie on the table and to be printed

87TH CONGRESS
1ST SESSION

Calendar No. 54

S. 993

IN THE SENATE OF THE UNITED STATES

MARCH 8, 1961

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. MILLER to the bill (S. 993)
to provide a special program for feed grains for 1961,
viz:

1 On page , beginning with line 22, strike out all
2 through line 17 on page 5 and insert in lieu thereof the
3 following:

4 “(1) 30 per centum of the crop acreage on the farm
5 is retired from 1961 production (the same being herein-
6 after called the required reduction) ;

7 “(2) the required reduction consists of acres planted
8 to corn, oats, rye, barley, or grain sorghums in 1960;
9 and

1 On page 5, line 18, change “(4)” to “(3)”.

2 On page 6, beginning with line 4, strike out all through
3 the word “appropriate.” in line 23, and insert in lieu thereof
4 the following:

5 “The acreage described in clause (3) shall be in addition
6 to any acreage devoted to the conservation reserve
7 program.”

AMENDMENTS

Intended to be proposed by Mr. MILLER to
the bill (S. 993) to provide a special pro-
gram for feed grains for 1961.

MARCH 8, 1961

Ordered to lie on the table and to be printed

S. 993

IN THE SENATE OF THE UNITED STATES

MARCH 8, 1961

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. AIKEN to the bill (S. 993)
to provide a special program for feed grains for 1961,
viz:

1 On page 4, between lines 19 and 20, insert the fol-
2 lowing:

3 “(b) For the marketing year beginning April 1, 1961,
4 the price of milk for manufacturing purposes and the price
5 of butterfat shall be supported at not less than \$3.35 per
6 hundredweight and 62.0 cents per pound, respectively.”

7 Reletter subsections “(b)” and “(c)” of section 1,
8 “(c)” and “(d)”.

87TH CONGRESS
1ST SESSION

S. 993

AMENDMENTS

Intended to be proposed by Mr. AIKEN to the bill (S. 993) to provide a special program for feed grains for 1961.

MARCH 8, 1961

Ordered to lie on the table and to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

Issued March 10, 1961
For actions of March 9, 1961
87th-1st, No. 41

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HIGHLIGHTS: House passed feed grains bill. Senate debated depressed areas bill.
Both Houses received the President's housing message.

HOUSE

1. FEED GRAINS. By a vote of 209 to 202, passed with amendments H. R. 4510, to provide a special program for feed grains for 1961 (pp. 3441-37, 3442-3, 3444, A1639-40). Rejected, 214 to 196, a motion by Rep. McIntire to recommit the bill to the Agriculture Committee with instructions to report it back with an amendment to strike out Section 3 which authorizes CCC to sell corn and feed grains at not less than 17 percent below the 1961 support price for such grains (pp. 3436-7).

Agreed to the following amendments:

By Rep. Hoeven to provide that popcorn shall not be planted on diverted acreage of the special agricultural conservation program for 1961.
p. 3421

By Rep. Smith, Iowa, to provide that in determining conservation payments and price supports for the 1961 crops of corn and grain sorghums, the Secretary shall give due consideration to tillable acreage, crop rotation practices, type of soil, and topography. Also, that Records secured in

compliance with Section 329 of the Agricultural Adjustment Act of 1938 in previous years shall also be used where available and equitable.
p. 3430

By Rep. Nelsen to provide that the Secretary may make not to exceed 50 percent of any payments to producers in the special agricultural conservation program for 1961 in advance of determination of performance.
p. 3430

By Rep. Nelsen to provide that as used in the bill the term "corn" shall mean field corn not including corn for silage. p. 3435

Rejected the following amendments:

By Rep. Latta, 61 to 53, to strike out language in the bill providing that price support for corn and grain sorghums shall be made available on not to exceed the normal production of each eligible farm as determined by multiplying the harvested acreage of corn and grain sorghums on the farm by the average yield per acre for 1959 and 1961. p. 3412

By Rep. Latta to strike out references to soybeans and oilseed crops so as to restrict the provisions of the bill to corn and feed grains. pp. 3413-5

By Rep. Arends, 138 to 113, to provide that the term "normal yield" as used in the bill relating to corn and grain sorghum shall be the average yield per acre of corn or grain sorghum for the farm adjusted for abnormal weather conditions and for trends in yields, during the five calendar years immediately preceding the year in which such normal yield is determined. pp. 3415-8

By Rep. Dominick to strike out the reference to "other feed grains," such as oats, rye, and barley, as being eligible to participate in this program. p. 3420

By Rep. Andersen, Minn., 91 to 68, to strike out references to cash payments in the bill so as to provide that all payments under the bill "be used on payments in kind." pp. 3421-6

By Rep. McIntire "to permit farmers to turn down the 50-percent cash payment on a 20-percent reduced acreage and allow him to grow a crop which is not supported, nonsurplus, and primarily not used for livestock feed." p. 3426

By Rep. Findley to add a new subsection to the bill directing the Secretary to formulate and carry out a surplus feed grain disposal program. pp. 3426-28

By Rep. Hoffman to strike out language authorizing obligations to be incurred in advance of appropriations for payments in cash in an amount not exceeding \$500 million and for payments in kind for diversion of acreage within such limits as the Secretary may require. pp. 3428-9

By Rep. Mahon to provide that no feed grain producer covered by the bill, who participated in choice B of the cotton allotment program in 1959 or 1960, shall receive a lesser feed grain planted acreage history than he would have received had he not participated in the cotton program. pp. 3429-30

By Rep. Quie, as an amendment to the amendment offered by Rep. Mahon, to provide that as a condition of eligibility for price support on the 1961 crop of cotton, producers of cotton shall participate in the special agricultural conservation program for 1961 for corn and grain sorghums to the extent prescribed by the Secretary. pp. 3429-30

By Rep. McSween, 163 to 132, to strike out Section 3 of the bill authorizing CCC to sell any corn or grain sorghums during the marketing year for the 1961 crop of such grains at any price not less than 17 percent below the 1961 support price for such grain. pp. 3430-5

The basic solution to this problem is to bring down long-term mortgage lending rates—as we are already in process of doing—and thus make guaranteed loans at $5\frac{1}{4}$ percent more attractive to private lenders.

But existing Federal programs are also important; and in order to allow sufficient time for planning, I recommend that the Congress now extend the duration of both the loan guarantee and the direct loan programs (which expire, in most cases, in 1962) concentrating on those veterans who have served their country the longest and the most recently—and expand the direct loan authority above the present \$150 million to the extent experience should demonstrate that guaranteed loans are still difficult for veterans to obtain.

IX. DEMONSTRATIONS, TRAINING, AND RESEARCH

As we proceed in developing a comprehensive housing and community development program we must constantly widen our knowledge of the complex forces which shape our urban way of life. Since the beginning of the century the proportion of our people who live in urban and suburban areas has mounted rapidly. Yet we have lagged badly in mobilizing the intellectual resources needed to understand and improve this important sector of our civilization. The problems related to the development and renewal of our cities and their environs have received comparatively little attention in research and teaching.

To encourage the study of these pressing problems and to train a sufficient supply of skilled manpower will require a substantial commitment of resources. Universities, private research groups, professional and business organizations can all contribute. But the Federal Government must play a key role in support of these activities—through leadership and financial assistance.

(A) The Housing Act of 1948, as amended, and the Housing Act of 1956 both provide broad authority for Federal support of the market analyses and statistics needed by private industry, and for research into housing and urban problems. I shall ask the Congress to appropriate sufficient funds to carry out these programs.

(B) To find ways to improve the technology of homebuilding, and thus to make better homes available at lower cost, is one of the problems most in need of research and experimentation. Therefore, I recommend enactment of a special FHA insurance authorization to be used exclusively to help finance tests and demonstrations of new approaches to home design and construction which give promise of producing substantial savings in cost.

X. A NEW DEPARTMENT OF HOUSING AND URBAN AFFAIRS

Urban and suburban areas now contain the overwhelming majority of our population, and a preponderance of our industrial, commercial, and educational resources. The programs outlined above, as well as existing housing and community development programs, deserve the best possible administrative efficiency, stature, and role in the coun-

cils of the Federal Government. An awareness of these problems and programs should be constantly brought to the Cabinet table, and coordinated leadership provided for functions related to urban affairs but appropriately performed by a variety of departments and agencies.

I therefore recommend—and shall shortly offer a suggested proposal for—the establishment in the executive branch of a new, Cabinet-rank Department of Housing and Urban Affairs.

CONCLUSION

A nation that is partly ill housed is not as strong as a nation with adequate homes for every family. A nation with ugly, crime-infested cities and haphazard suburbs does not present the same image to the world as a nation characterized by bright and orderly urban development. To achieve our Nation's housing goals, to meet our appropriate Federal responsibilities to aid private and local efforts—and at the same time helping to combat the present recession while furthering long-term growth—I commend this program to the Congress and urge its prompt consideration and enactment.

JOHN F. KENNEDY.

THE WHITE HOUSE, March 9, 1961.

CALL OF THE HOUSE

Mr. HOEVEN. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. Evidently, no quorum is present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 12]

Alger	Fallon	Peterson
Ashmore	Gray	Powell
Barrett	Hosmer	Rabaut
Blatnik	Jensen	Reece
Blitch	King, Calif.	Riehlman
Boggs	King, Utah	Sisk
Bolling	Lesinski	Smith, Va.
Buckley	Lipscomb	Teague, Tex.
Cramer	Miller	Thompson, La.
Davis, Tenn.	George P.	Wright
Diggs	Morrison	
Dooley	Moss	

The SPEAKER. On this rollcall 398 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FEED PROGRAM FOR 1961

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4510) to provide a special program for feed grains for 1961.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 4510, with Mr. IKARD of Texas in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read through section 1, ending on line 21, page 4 of the committee amendment. If there are no further amendments to this section, the Clerk will read.

Mr. LAIRD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on March 8 in the other body the Wisconsin Farmers Union 1961 action program was placed into the CONGRESSIONAL RECORD. I should like to quote to the House at this time one paragraph from that action report:

We are opposed to the sale of Government-owned agricultural commodities on the market for less than market price plus 5 percent and carrying charges. We believe in rotating the commodities in storage, especially perishable commodities, with new crops or produce to avoid deterioration, but the commodities so marketed should be replaced with an amount equal to that taken out so as not to add to the amount normally marketed.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Iowa.

Mr. HOEVEN. Did I correctly understand the gentleman to say that the Wisconsin Farmers Union is opposed to section 3 of this bill?

Mr. LAIRD. The Wisconsin Farmers Union action program for 1961 would indicate their opposition to the sale of any Government-owned agricultural commodities on the market for less than market price plus 5 percent and carrying charges.

Mr. PELLY. Mr. Chairman, I rise in opposition to the pro forma amendment.

I would like to address myself to an aspect of this feed grain bill which has not been mentioned before. In short, I would point up and protest the language which authorizes obligations in advance of appropriations. In other words, in this bill we have another example of the invasion of the responsibility of the committee having jurisdiction over appropriations. This is one of the devices often referred to as backdoor spending. In effect, the language authorizes obligations in advance of appropriations and reduces the function of the Committee on Appropriations to one of honoring a commitment already made, whereas under normal procedure we would have a simple authorizing provision and then in turn the head of an agency would appear before the Committee on Appropriations under the normal annual budget request. Under such regular procedure, an agency would have to justify the amount of money requested to carry out an authorized program and the annual scrutiny of the Appropriations Committee would mean something.

I hope, Mr. Chairman, that the day will come when the rules of this House and its procedures will be such that all expenditures for Federal agencies will be brought under one committee having jurisdiction over appropriations. That is the only means of achieving control over spending. As long as we have various devices for avoiding a proper justification of spending before one committee we will continue to have budget-

busting, inflation and lack of confidence in our economy, both at home and abroad.

Since this is a 1-year program and since I am not entirely certain as to timing, I am not going to introduce an amendment to strike out the language which authorizes advance obligations. However, I do strongly object to this means of financing and hope, as I have said before, that one day we can eliminate all back-door spending.

Mr. LATTI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LATTI: On page 4, line 9, after the word "determine" strike out the balance of line 9 and strike out lines 10 through 14.

Mr. LATTI. Mr. Chairman, the amendment I offer proposes to strike out the following language:

Price support for corn and grain sorghums shall be made available on not to exceed the normal production of each eligible farm as determined by multiplying the harvested acreage of corn and grain sorghums on the farm by the average yield per acre for 1959 and 1960.

Gentlemen, if we do not strike this language we have established bushelage controls for American agriculture. As I said yesterday, I am unalterably opposed to bushelage controls. I think the American farmer is unalterably opposed to bushelage control for agriculture as indicated by his vote at the last election. Remember, in the platform of the opposition party, they stated they were for bushelage controls, pound controls, and barrel controls, and the election indicated that the farmer was in opposition to those controls. It is strange that when this bill was presented to our committee by the present Secretary of Agriculture, he did not request that we go to bushelage quotas or bushelage controls. You will notice in the first section of his bill, he says absolutely nothing about it. This amendment has become known as the Neal Smith amendment. Also, it is worth noting our very distinguished chairman of our Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY] is also opposed to this provision. He feels as I do that we might just as well close down our research centers, if we are going to go to bushelage controls because we will be saying to agriculture—you have progressed just far enough and we do not want you to progress any farther. I do not think that is what we want to tell American agriculture.

Our good chairman indicated that he would go along with this bushelage amendment, if we were not establishing a precedent, since this was a so-called emergency measure. Let me say, we will be establishing a precedent, if we write it into law for 1 year. Those people who have been clamoring for bushelage control will always be able to point back at this act and say, You established it in this act. Our chairman even insisted that they write something into this report to indicate that we were not establishing a precedent. But I am not sure that this language does what the chair-

man requested. On page 3 of the report the statement is made:

It is to be remembered that this is an emergency program for 1 year—not a long-range policy for agriculture—and that in approving it the committee has approved certain features which it would not necessarily look upon with favor for a long-range program.

But it says nothing about not establishing a precedent. Then continuing at the bottom of the page the statement is made:

The same observation should be made with respect to the provision of the bill limiting price supports on corn and grain sorghums in 1961 to the average production of the harvested acres on farms cooperating in the land retirement program.

This language does not state that a precedent for future farm legislation is not being established nor could this Congress preclude future Congresses from regarding this bushelage amendment as such.

So I say if you are for bushelage control, vote against my amendment; but if you are against bushelage control, support my amendment.

Mr. COOLEY. Mr. Chairman, perhaps I did not make my position clear yesterday on this proposal, but I would like to make it clear now. I am opposed to the principle that is involved in the language in the bill for very good reasons, and I think for the same reason that the gentleman from Ohio opposes it.

But when you realize that this is just a 1-year program, and the administration suggests that we put it on an average yield per acre, I am willing to accept it. But we made it perfectly clear, and I want the debate to make the congressional history perfectly clear, that we do not intend this as a precedent.

My reason is that I believe it tends to penalize good farming. I had a good demonstration of that on my own farm. I would hate to freeze for future generations the record of the production on the farm, for instance, under my operation. I am one of these absentee operators who tries to farm by remote control. Just to be specific, I let a neighbor use some of my tobacco land last year. He was an on-the-job farmer and a good farmer. He doubled production, and he doubled income.

I do not feel I should penalize my grandchildren who might turn out to be good farmers, and that is the reason I oppose this as a precedent, because it takes away something that a farmer should have, and that is the incentive to increase the unit yield.

Carry this to its logical conclusion and we would do away with agricultural colleges and experiment stations, and do away with all agricultural research and freeze farms at this level, take away from our farmers the arts of production, and they have mastered the arts of production. We would tell them they have gone far enough, that we would not permit any increases on this farm and that farm and the other farm. I am sure that is the reason the gentleman from Ohio opposes it, and that is the reason I oppose it. But what else can we do? We must have the average. You cannot

go back now at this late date, now that it is only 2 weeks before planting time, and get the actual production figures on each farm. So we must take the average. As I say, this is not intended to be a long-range program.

I know the amendment was offered in good faith by the gentleman from Ohio [Mr. LATTI], but I hope it will be defeated and that this 1-year program will be supported.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like the House to pause for just a moment and look at what we are trying to do, look at what the platforms of both parties promised to do. When you talk about the soil bank you talk about taking minerals out of production on the farm. If we want to stop taking minerals out of the land by way of soil bank, why should we attempt to put minerals back into the land in the form of fertilizer to increase production?

If a producer uses a lot of fertilizer it should increase the yield; in other words, by putting fertilizer or minerals in the form of fertilizer into corn, without the provision that is in the bill the producer will get more money from the Government. If one raises more than a normal yield he can market the corn. If he can do it profitably on the open market, he can go ahead and do it. If he wants to feed it, he can.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Texas.

Mr. POAGE. Does not this leave you with the proposition that, on that part of your land on which the Government is paying you to reduce, you have no new incentive to increase that production above your normal production, but where the Government is not involved, where the Government is not paying anything, you have the same inducement to produce an additional amount that you have at the present time? You have all the inducement you ever have had to improve your farm practices, but the Government is not going to pay you to produce an extra surplus.

Mr. SMITH of Iowa. That is right. You are stopping the Government financing of putting this fertilizer into these yields. It would have a diminishing effect on the effectiveness of the bill. What we are trying to do, whether by the soil bank program or any other program, is to reduce the minerals. We also want to encourage not putting them back in the form of fertilizer.

(Mr. SMITH of Iowa asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. LATTI].

The question was taken; and on a division (demanded by Mr. LATTI) there were—ayes 53, noes 61.

So the amendment was rejected.

Mr. SHORT. Mr. Chairman, I move to strike out the last word.

(Mr. SHORT asked and was given permission to revise and extend his remarks.)

Mr. SHORT. Mr. Chairman, I take this time to clarify a point that apparently has become somewhat confused across the country. We have heard from both sides of the aisle, and certainly it has been my understanding, that this is a voluntary program, that there is no compulsion, no attempt at compulsion in this bill, that it shall be mandatory for anyone to participate in the program who does not want to.

I would like to clarify a question that comes to me, and I would appreciate the attention of the Chairman if I might have it.

This question came to me in the form of a letter from one of by constituents in North Dakota wherein he asked that I try to clarify this matter for him. In the absence of any further time I do not know how to find the answer to the question any better than right here and right now. As I said, it has been reiterated again and again that this program is a completely voluntary program; that no one has to participate in it unless he so desires.

I have a letter from a constituent of mine in which he encloses a postage-free card that apparently is a followup on a previous request from the local ASC office for information that they will need to implement this feed grain program we have under consideration here today. Apparently my constituent did not send in the requested information. The information requested, as I think most of the committee understand, would be the acreage devoted to the production of feed crops during the years 1959 and 1960. This card apparently was sent out when the information sheet was not returned to the ASC office. This is what the card states, and I think my question will be clear when I read the card.

It is headed "Eddy County ASC Office, New Rockford, N. Dak." And it emphasizes in caps at the top of the card "Reminder."

The message on the card reads, as follows:

This is to remind you that as of this mailing, you have not filed a complete acreage report of the 1961 feed grain program.

The Secretary announced that it will be mandatory for all producers to file these acreages regardless of whether he plans on participating in this program. This must be completed by March 20.

Now, Mr. Chairman, the question that comes to my mind is this, and it would come to my mind as an individual who does not intend to participate in this program, because the farming that we do is to raise feed that we use on our farm. And, I am sure there are tens of thousands of farmers in this country that will have no intention of participating in this program, not because of any particular aversion to the program, but because there is no need or no benefit so far as the particular farm is concerned.

Now I would like to have the chairman explain this. Does he believe the committee intended to make it mandatory, that every farmer in the United States furnish this complete detailed information that is requested by the various ASC offices as a part of the record that they need?

Mr. COOLEY. Will the gentleman please let me see the card?

Mr. SHORT. Yes; I will be very happy to.

Mr. COOLEY. Well, I might answer by saying to the gentleman that I am quite certain that whoever issued this card had not been accurately advised, because I know of no provision in existing law that makes it mandatory upon the farmer to make any sort of report to any sort of committee in connection with the matter we are discussing. This appears to be an official document, but I do not know who authorized it to be issued. And, I am quite certain the gentleman will agree that the person who issued it called for a report that is not mandatory. There is nothing that requires the farmer to tell what he produced last year. It is not in the Federal law, but there may be some State regulation about it.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Minnesota.

Mr. QUIE. Did I understand the chairman of the Committee on Agriculture to say there is nothing in the present law which would empower the Secretary making mandatory this report?

Mr. COOLEY. I do not know of any provision.

Mr. QUIE. I just asked so that I understand it correctly.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

(Mr. SHORT (at the request of Mr. ARENDS) was given permission to proceed for 2 additional minutes.)

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Illinois.

Mr. ARENDS. The gentleman comes almost to the point of what has been bothering me. This is a temporary 1-year measure. What we do here today may well set the pattern when permanent legislation is later considered by this body. In other words, we here and now are moving toward later-to-be-imposed, absolute and strict controls and a regimented agriculture. I hope I am wrong.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I think the gentleman has rendered a very fine service in bringing the contents of this card to the attention of the membership of the House. I think it might be appropriate that the gentleman respond to his constituent by saying that there is nothing in the bill now before the House or in the report concerning it. Of course, the report could not be used in the matter of requiring that information of anyone.

In other words, there is nothing in the bill now before us that would require your constituent to report any kind of information to anyone or even to require him to participate in the program.

The CHAIRMAN. The time of the gentleman from North Dakota [Mr. SHORT] has again expired.

(Mr. SHORT (at the request of Mr. ABERNETHY) was given permission to proceed for 1 additional minute.)

Mr. SHORT. I point this out to my friend from Mississippi. I do not believe there is anything in the bill that says that the program is going to be either voluntary or mandatory. From hearing the Secretary of Agriculture I would say it was his intention that the program should be on a voluntary basis. The committee report on page 3 says so a couple of times. But I do not believe there is anything in the bill itself that says that it is voluntary.

Mr. ABERNETHY. And there is nothing in the bill that says it is compulsory.

Mr. SHORT. That is what I said a moment ago; it says neither.

Mr. ABERNETHY. Yes.

Mr. SHORT. I would say this further. This card came to me only within the last hour. I called down to the Department to try to verify, if I could, the administrative request that went out to the various State ASC offices or to the county offices. I have not had time to get the report yet. If I do get it, I shall report it to the House.

The CHAIRMAN. The time of the gentleman from North Dakota [Mr. SHORT] has again expired.

Mr. LATTI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LATTI: Page 4, line 17 after the word "sorghums," strike out the word "soybeans," and line 17, after the word "grain" strike out the word "or" and page 4, line 18, strike out the words "oilseed crops".

Mr. LATTI. Mr. Chairman, this amendment attempts to restrict this bill to feed grains. When this bill was introduced and presented by the Secretary of Agriculture to our committee it concerned itself only with feed grains. Soybeans were added to the bill in committee. Never before have soybeans been considered a feed grain. They should not be so considered now.

What does this amendment accomplish? It says in so many words that before you can get price support for soybeans which, as I have said, are not feed grains, you must participate in the corn program. That seems real fair now, does it not, Mr. Chairman? Let us put the shoe on the other foot. Let us say to our cotton farmers—and they have some down in Texas, I understand—that before you can get price support for your cotton you must put your corn into this program. Cotton, I readily admit, is not a feed grain. I am sure the proponents of the provision to put soybeans into this corn program will readily agree that it is not a feed grain. So, if it is not fair to put cotton into the corn program, then it is not fair to put soybeans into the corn program.

Let us go a step further and say to those people who might be raising tobacco and corn that before you can get

price support for your tobacco you must put your corn in under the program.

So what I am attempting to do now is to limit this bill to feed grains and not to penalize the soybean producer because he does not desire to go into the corn program. Certainly in fairness to this soybean producer you should go along and support this amendment and strike soybeans from this feed grain bill.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. I think the gentleman is absolutely correct, because in that language are other oilseeds. For instance, the flax producers, and there are a lot of them in Minnesota and the Dakotas, will have to go into the program before they can take advantage of any price support there might be on flax. I think the gentleman's amendment is very good and should be adopted.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Iowa.

Mr. KYL. Is it not possible that soybeans are in here for another reason? It has been said that the income would be raised 12 percent through this program were soybeans put in here so that acres could be diverted to soybeans, which are a more profitable crop, and on that part that increase would be derived from soybean production.

Mr. LATTA. I would not want to say what the reason was for including soybeans in this bill. I have my suspicions, however.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Ohio has made a rather appealing argument but it is based on an entirely false premise. It often happens that an argument based upon a false premise comes to wrong conclusions. The gentleman assumed, in the first place, that there is an identical situation relating to cotton and soybeans. I am sure he overlooks, as do so many of those who have enjoyed special privileges for a long time, the special privileges which he and his people have enjoyed.

The cotton people for a great many years have had allotments and quotas, they have had both acreage allotments and marketing quotas. The cotton people cannot plant unlimited amounts of cotton. Theirs is not voluntary, theirs is mandatory. That is also true of tobacco and of peanuts, and of rice. Those people are under a specific legal limitation. They cannot increase their acreage of cotton or of those other controlled crops.

The soybean people of the United States, if my memory serves me right, have never been under any kind of control. They could and they can and they now do plant all of the soybeans they want to. This of itself is a vital difference, but in addition the soybean people are getting a very substantial increase in support price this coming year. I believe the support price is being set at

\$2.32, a very substantial increase. If soybean growers are to get such a large increase in support prices and at the same time have no controls whatsoever, it seems to me that they might very well be expected to cooperate in the feed grain program, if they are going to also grow feed grain. It might well be suggested that if they are going to participate in this sharing of Government funds on the one hand as soybean producers, and if they, at the same time put their other hand out and say they ought to have Government funds as feed grain producers, they ought somewhere to wash their hands and come into court with a little cleanliness.

The people who are growing the controlled crops must keep within their allotment or they are heavily penalized. So there is a very distinct difference between cotton and soybean producers. The gentleman did not say he wanted to require this cross-compliance on cotton.

Then I want to call attention to the fact that this is a control-of-feed-grains proposition, in spite of the contrary suggestion by the gentleman from Ohio. Of course it is. It applies to the soybean producer but it also applies directly to feed grains.

Only when he is growing feed grains must a farmer come into compliance, and unless he is growing those feed grains or unless he is getting a support price for an uncontrolled crop, he is not touched by this bill at all.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Iowa.

Mr. KYL. There is one thing I think we should bring to the attention of this body, however, in connection with your comments. If we take land out of production in the State of Iowa and in the rest of these Midwestern States where we have been producing corn or soybeans or anything else, we cannot plant cotton, tobacco, peanuts and rice, and when you take these acres out down South, there is a movement of these feed grains to your area.

Mr. POAGE. That is just what I have been trying to get the gentleman to understand. I must apologize if I did not make this point plain. That is exactly the point. We cannot transfer feed grain to cotton or any other allotted crop. We cannot plant cotton because we already have our cotton allotment and we cannot increase it. You cannot get a cotton allotment, if you have not been planting cotton and you cannot go to planting cotton just because you go out of feed grain. You take your land out of feed grains and you have no opportunity to plant cotton, and you have no opportunity to plant rice, and you have no opportunity to plant peanuts, and that is a legal regulation and not simply a matter of economics.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. LATTA. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 1 more minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Ohio.

Mr. LATTA. You have given us quite an argument as to why cotton should not be included here. I did not mean to take your 5 minutes talking about why cotton should not be put in, but I would ask you to take 1 minute to explain why soybeans should not be in this law.

Mr. POAGE. Because we are trying to reduce the production of feed grains. We are trying to see that a man does not have an opportunity to increase his production of two or three supported crops. The feed grain cooperator will receive support at a substantial price level. The soybean grower will be supported at a handsome support price. We are simply trying to say that if you are going to get the support price from the Government, you must comply on feed grains and not produce excessive amounts of feed grains. We want to stop this buildup of surpluses of feed grains which at present involves \$4 billion worth of unnecessary feed grains.

Mr. QUIE. Mr. Chairman, I rise in opposition to the amendment.

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, I rise in opposition to this amendment because I believe soybeans and oilseeds ought to be included in the bill in determining eligibility for price supports. The reason we included oilseeds is that when the Secretary of Agriculture came before our committee, he announced a soybean program in which he would increase price supports to \$2.30. I understand the growers organization did not want that high an increase in price supports. I understand from them that the highest that any of them wanted was \$2.15. I understand that many of the processors urged an increase to \$2.15 and there was concern on the part of many of us who come from the soybean growing areas that increases in production would be so great at \$2.30 supports that we would be bringing soybeans into the same kind of trouble that wheat and some of the other commodities are now in. If they were left out of the bill, then what might have happened? Farmers would have elected to stay out of this program, and then because this is a 1-year program not only have diverted their corn acreage to soybeans, but diverted hay land into soybeans as well. This program, as it is now spelled out, would prevent that from happening because the farmer must comply in order to get his price supports on soybeans and he must also increase his soil conserving crops by the same amount that he reduced his crop of corn and grain sorghums. This would control the situation so that there would not be a change from hay to soybeans or other feed grains or oilseeds.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Iowa.

Mr. HOEVEN. I wish to associate myself with the remarks and the position

taken by the gentleman from Minnesota. We have to watch soybean production rather carefully. The way we are going into the production of soybeans in the corn and soybean areas, we may well wind up with a real surplus in soybeans. This is a strict cross-compliance provision. I am sure the gentleman will agree with me when I say that if we had had strict cross-compliance during past years we would not be involved in the mess we are in today.

Mr. QUIE. That surely is true. If we had had cross-compliance on all crops we would not have the cotton farmer reducing his cotton acreage while at the same time planting them to feed grains in competition with us; we would not have the wheat farmer, for instance, reducing his wheat acreage and putting in feed grains in competition with us in feed-grain area. Surely we ought to have had cross-compliance for the past many years.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. LATTA. Did not the Secretary of Agriculture state when he was before the committee that one of the purposes of this bill was to get some farmers who were producing corn into producing soybeans?

Mr. QUIE. Yes; that was his purpose. But we put soybeans in the bill so no one could divert soy acres to soybeans.

Mr. LATTA. Yes.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. SMITH of Iowa. Does not the gentleman remember when people took corn acreage out of production under the acreage reserve program but then put in additional acres of grain sorghums, so that in the end they produced almost the same tonnage of feed?

Mr. QUIE. That is why the agricultural reserve did not work as well as it could have if we had had strict cross-compliance at that time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was rejected.

Mr. ARENDS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ARENDS: Page 4, line 13, strike out the words "average yield per" and strike out line 14 and insert the words "normal yield."

Page 6, line 4, strike out line 4 and insert the words "normal yield."

Page 6, line 10, strike out the word "average" and on line 11 strike out the words "yield per acre for the farm for 1959 and 1960" and insert "normal yield."

Page 6, line 12, strike out the words "In de—" and strike out lines 13 through 18 and insert the following:

"For the purposes of this Act, "normal yield" for any farm, in the case of corn or grain sorghum, shall be the average yield per-acre of corn or grain sorghum for the farm adjusted for abnormal weather conditions and for trends in yields, during the five calendar years immediately preceding the year in which such normal yield is determined. If for any such year the data are not available or there is on actual yield, then the normal yield for the farm shall be appraised in accordance with regulations of

the Secretary, taking into consideration abnormal weather conditions, the normal yield for the county, and the yield in years for which data are available."

Mr. ARENDS. Mr. Chairman, on yesterday during the discussion of this bill I explained in part what I had in mind in offering this amendment. At that time the chairman of the committee, the gentleman from North Carolina, very frankly stated that objectively I was going in the right direction. He thought the most serious criticism might be the lack of information on crop acreage and that it might not be available in certain States for the 5-year period 1955-60. Regardless of that, I feel in all fairness, and in justice, and in equity to the average corn grower throughout the great Midwest, this amendment should be adopted. If we follow the basis set forth in this bill of only the crop years 1959 and 1960 we are going to work a great injustice against many of our good corn farmers throughout the country who have strictly adhered to good farm soil conservation practices, and crop rotation plans in their farm operations. In other words, the farmers who obtain acreage basis on the years 1959 and 1960 average yield, will be tremendously benefited. The normal yield should be placed on a 5-year average if it is to be fair. In other words, the man who has helped to create this surplus, who has filled up the storage bins, the farmer who has in the last 2 years farmed his place from fence to fence reaps the benefit, and the man who has strictly adhered to good farming practices, the efficient farmer, is penalized.

I trust my amendment may be adopted, and ask your support to see that it is.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from North Carolina.

Mr. COOLEY. As I said yesterday, I am in sympathy with the gentleman's objective, and would be inclined to vote for his amendment, but he must realize that the information that his amendment would require is not readily available. This program must move on; we must have it at the White House within 10 days or 2 weeks, or it will be too late.

If you require the Department to obtain records back 5 years, and the information is not available, the whole program will fail. As I said to the gentleman this morning, if there is any way he can put into his amendment a condition that such information over the last 5 years shall be used if it can be obtained within the State, then I would have no objection to the amendment. But his amendment is too restrictive. If there is any way he could modify it in any fashion I might be for it. As I understand it, the gentleman from Iowa [Mr. SMITH], has an amendment that is a little more flexible than the amendment of the gentleman from Illinois. I would like to have the gentleman from Iowa [Mr. SMITH], submit his. I think the gentleman's objective is right. We do not want to penalize rotation in agriculture, but we were told by the Depart-

ment they did not have the records back 5 years and could not obtain the information.

Mr. ARENDS. Of course, I hope the substitute to be offered by the gentleman from Iowa will not be adopted but, rather, that my amendment will be adopted for the reason that injustice will prevail under his amendment, not that his amendment is not moving in the right direction, but injustice will continue to exist as he proposes. I say let us try to find out, if we can, the record for the past 5 crop years in order that we do the right, fair, and just thing in this respect.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Iowa.

Mr. HOEVEN. The gentleman has correctly pointed out that the bill as now worded certainly penalizes the farmer who has engaged in good farm practices throughout the years and it is giving a premium to the man who put his entire farm into corn at a guaranteed price. I do not follow the gentleman from North Carolina who says that history information is not available. They are now gathering information for the purposes of this bill even prior to its passage. Certainly there must be some facts and figures in every local office in this country as to conservation practices, covering the past 5-year period.

Mr. ARENDS. Let me say to the gentleman from Iowa that I agree with him. We should make an all-out effort to obtain this information on a 5-year basis so that we shall not work an injustice on any farmer. Sometime I think the farmer gets it coming and going.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Minnesota.

Mr. QUIE. Is it not true that in the years 1956, 1957, 1958, there was a control program on corn and they know for every farm during those years what the allotment was, what he was raising, and that they would not have to ask the farmer what he was raising during those years, it is available right now in those offices?

Mr. ARENDS. Yes. The gentleman has correctly stated the past experience.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from North Dakota.

Mr. SHORT. I would like to point out to the gentleman that what the gentleman from Minnesota just said would probably be true about corn; but I would also point out that I called a friend of mine who is chairman of an ASC in the State of North Dakota, and he told me they had no records of the production of oats, rye, and barley in the county ASC offices in North Dakota.

Mr. QUIE. They are not a part of the program as far as the plan is concerned. There is no necessity for knowing the history of oats, barley or rye production.

Mr. SHORT. I would like to point out if you are going to avail yourself of price supports on oats, barley or rye under the provisions of this bill, and you happen to raise corn, and that could

conceivably be corn raised for silage, you must comply with the program.

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, ordinarily the amendment offered by the distinguished gentleman from Illinois [Mr. ARENDS], would be a good amendment. But, here is the situation. There are two things we have to consider in passing this legislation. No. 1, the information essential to enforce the amendment just is not available for the 5 preceding crop years. Regardless of what anyone might think or hope, the information just is not available.

Now if it be the desire of some that they want to kill the bill—and I do not say that is the objective of the author of the amendment; I am sure that is not his objective—but if it be the desire of some that they want to kill the bill or to put the legislation in the position that it would be absolutely impossible of administration, then this is the way to do it.

This show has got to be put on the road in a few days. Time is running out. It is now very short. Farmers are breaking land now, preparing to plant grain. They are planting down in some of the sections of the country—in the Deep South. In all probability it will be too late to put the legislation into full effect down there because the planting time will soon have elapsed. But for the heavy grain producing area this program must be in effect within 15 or 20 days. Time is running out.

This is emergency legislation. It is not something that is going to be in effect next year or the year thereafter; it is only for this year. And, the only reason we brought this bill to the floor making it effective for only this year is because we did not want to have another large crop similar to that of last year and the year before piling up on the already heavy surplus. So, we brought in this emergency legislation, conceding it is not desirable from a long range standpoint but desirable for this emergency period only.

While I have some sympathy for the objective of the amendment offered by the gentleman from Illinois, if I thought it was possible to obtain the information essential to its administration, I would go along with it. But, it just is not available. So, I hope the amendment, with all deference to my friend from Illinois, will be voted down.

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Iowa. Mr. Chairman, I offer a substitute.

The Clerk read as follows:

Amendments offered by Mr. SMITH of Iowa as a substitute for the amendment offered by Mr. ARENDS: On page 6, line 18, strike out the period and insert "and to give due consideration to tillable acreage, crop rotation practices, type of soil, and topography."

Mr. SMITH of Iowa. Mr. Chairman, I want to say, to start with, that I thoroughly agree with the objective of the gentleman from Illinois [Mr. ARENDS], and practically everything that has been said on both sides of the aisle.

But, I just do not feel his amendment is flexible enough to get at the situation mentioned by the gentleman from Minnesota. I do not believe the amendment offered by the gentleman from Illinois will permit the use of these records available in the ASC offices in the commercial corn areas. I fully subscribe to what the gentleman from North Dakota said, that there are areas where these records are not available. That is the reason this requires a very flexible approach, so where the records are available they can be used and where they are not available they will have to put in some time to get the proper records. This is the same flexibility that Mr. Benson used in connection with the allotment for the acreage reserve program; in fact, this is the identical language which you will find in the law in section 329-A and B. It is the identical language. It permits this Secretary of Agriculture to have the same authority as Secretary Benson had and to use wherever applicable those acreage allotments that were made by Secretary Benson in 1957.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield.

Mr. HOEVEN. There is much merit in what the gentleman says. I am just wondering how this is going to protect the man who has engaged in proper soil conservation practices during the last 5 years.

Mr. SMITH of Iowa. Because they may consider in this the crop rotation practices used.

Mr. HOEVEN. How effective would that be?

Mr. SMITH of Iowa. I think it was pretty effective under Secretary Benson in 1957. They already have the regulations down there that they used at that time. I must say that I talked to the Department about this and they agree that with this provision they could make the adjustments that we are talking about right here on the floor.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman.

Mr. QUIE. Would it be possible, however, for them to use the records that they presently have for the years 1956, 1957, and 1958 and under which they had finally worked out the most equitable relationship between farms by the use of this method and others in order to bring about the kind of allotments per farm that we would consider fair and equitable?

Mr. SMITH of Iowa. I think they do. The reason is this: If they have the same authority that Secretary Benson had at that time, surely they can do the same thing he did at that time.

Mr. QUIE. But this says to give due consideration to tillable acreage, crop rotation practices, type of soil and topography. But it does not give him the right to go back to previous years. He can only look at the period in which it was under consideration.

Mr. SMITH of Iowa. Although we have had a change of administration, this is still the Department of Agriculture

and the Department of Agriculture has all these records.

Mr. QUIE. Under the law as Secretary Benson administered it he was not prohibited from going back only to the 2 previous years. This bill prohibits the Secretary from going back any further from 1959.

Mr. SMITH of Iowa. The interpretation given me by the Department is that they could go back and pick up those records.

Mr. BECKWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do feel that the amendment which has been offered by the gentleman from Illinois has much merit. In many instances in our farm program people who have tried to diversify and follow good practices have been penalized and those who planted every possible acre have been rewarded for doing so as I see the situation. But that is not what I am interested in at this particular time. The point has been made that it is very difficult to obtain information in connection with figures and data from the Department of Agriculture. I believe that ought to be underlined because it certainly is true. I have asked for a lot of information through the years. As a matter of fact, at one time during a Democratic administration I regret to say I could get no information about the average value per cotton allotment in each of the cotton counties. I wrote to county agricultural committees in nearly all cotton producing counties at that time for the information. Why? They refused downtown at the Department to give me that information or to seek to obtain it for me. I have had several experiences like that very recently. You write to the Secretary of Agriculture here, our Democratic Secretary—and I wish him well—and you will get back an answer that the information is in the field. The officials of the Department of Agriculture are called before congressional committees to testify and they undertake to help us as we write legislation by supplying information and figures. How can they help us when so much of the information is in the field? They need the information themselves in order to be the most informative witnesses possible. Their judgments and our judgments are no better than the information we have.

They should bring immediately copies of much of the information which is in the field to Washington in order to be able to work with and advise the membership of the House and the other body since all of us ask questions orally or in writing. This is particularly true in view of the fact that as I understand it we have \$8 billion worth of commodities in storage and have lost one billion and three-quarters of another billion on the farm program in the past. I hope that as a result of what has taken place here today with reference to the possible lack of information in this instance the officials of our Department of Agriculture will resolve I repeat, to go to the field and get much more information on all commodities than they currently have.

I wrote a letter to Dr. Willard Cockrane soon after I saw the grain program announced. I asked him several questions. I received no answer. I sent Secretary Freeman a wire on February 28 and finally did get an answer about the large grain producers. Apparently it was not of great interest to Dr. Cockrane and others that some barley producers were advanced loans of more than \$1 million each in 1959. This letter in answer to my wire is signed by Mr. Orlin J. Scoville and is dated March 1, 1961. The letter is in the CONGRESSIONAL RECORD of March 8, 1961, on page 3282.

Dr. Scoville stated:

The amounts shown represent the loan of funds advanced. In some instances these were redeemed but in other cases the grain was taken over by the Government. Similar information is not available for earlier years.

I think our agricultural people here should know about the amounts which were redeemed and not redeemed and should have information for several years.

I think our colleague, the gentleman from Mississippi [Mr. ABERNETHY] is probably right, and the chairman is, too, when they say the information 5 years back could not be easily obtained, but it should be. That is the point I am making. The information should be available to the U.S. officials of the Department of Agriculture here in Washington for their own information, for the President, if he wishes it, and for Members of the House and Senate if they wish it. I might add it is not merely in the field, it is on the back side of the field, and the worse the information is the more difficult it is to get, it seems to me. In other words, if the information paints a bad picture, it is rather difficult to obtain always. That is an experience I have had over a period of 22 years.

The President of the United States has rightly said that we need information in this country. Recently there was a fine article by one of the columnists which I shall include in my remarks about the effort the President is making to see that we and the people of this country get information. To you, Mr. Secretary of Agriculture, I say, get us information, bring copies of it away from the field and place it where we can obtain it and use it, so that we can write a sound and constructive farm program in connection with those divisions of the farm program where defects today exist.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the distinguished gentleman from Kansas.

Mr. AVERY. I should like to comment that maybe it is easier for certain newspapers to get information from the Department of Agriculture than it is for Members. I recall a year ago there was quite a lot of publicity as to how much compensation for soil conservation practices and for loans Members of Congress had received. I remember our minority leader had received something like \$3.21 in reimbursement for certain soil conservation practices, and that became a matter of public record.

Mr. BECKWORTH. I thank the gentleman very much.

The average value of a cotton allotment in some counties is as low as \$300 and the average value in other counties goes to \$62,000 per allotment. I have asked that these figures and others for controlled crops be brought up to date. I received a letter that said, "You are the only one that wants that information, and we do not feel we should get it." But I think we shall get it, and I think I shall have a good part in getting it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to our distinguished minority leader.

Mr. HALLECK. The papers said I got \$2.50. I did not even get that.

Mr. BECKWORTH. A lot of Members of Congress I know probably live on the land but get nothing or very little in the way of loans or payments. Of course, this is not featured.

Mr. Chairman, the article to which I referred is as follows and appeared in the Washington Post, March 3, 1961:

ON GOVERNMENT, ACTIVE AND PASSIVE

(By Joseph Alsop)

The public information policy of the Kennedy administration is so curious, and may later prove so important, that it cries out for analysis.

It is curious because of the bewildering contrast between the extreme openness of the White House itself, and the cloistered, almost harem-like withdrawal of most of the other Government departments. Nothing quite like this contrast has been seen before in political Washington.

The openness of the White House is a calculated policy. Shortly after President Kennedy took office, he and his press secretary, Pierre Salinger, and other leading members of his staff discussed the pros and cons of the kind of rule that would have closed the place up for good. Under the proposed rule, all White House staff members would have had to ask for special permission, as in the Eisenhower era, before talking to any reporter.

The President recognized that such a rule would close the White House. He decided that this was undesirable. As a result, reporters now swarm through the White House staff offices, briskly asking questions and even quite frequently getting answers about every imaginable subject of public interest.

By the same token, the President himself, instead of playing the role of a remote, hieratically immobile Byzantine ruler, has been constantly on view, both formally and informally. He has appeared at his televised press conferences, in special television shows of the most un-Byzantine character, and in all sorts of other ways. The effects of this White House openness and presidential accessibility can be seen in the most recent Gallup Poll. Kennedy, the presidential personality, has had an immense impact.

Yet the Democratic congressional leadership and the White House congressional liaison both rather glumly admit that this personal impact of President Kennedy has hardly produced an added vote for his program in the House of Representatives. Somewhere there is a break in the traditional chain of communications from President to voters, to the Capitol.

One place to look for the break in the chain is in the Government departments, Defense, State, and the rest, whose continued cloistered reticence contrasts so sharply with the new openness of the White House.

Nothing could be less like the Eisenhower White House than the Kennedy White House. But the Defense Department under Kennedy, for instance, is exactly like the Defense Department under Eisenhower, only perhaps rather more so.

This departmental reticence, it must be added, is not a calculated policy. It is a natural consequence of the fact that nothing has been done about the innumerable established customs, rules, and prohibitions all intended to prevent free communication of facts to the public. They are all being observed as usual. They are all being taken for granted, as quite proper customs, rules and prohibitions, which are indeed badly needed to safeguard the delicate electorate from an unsettling flow of public information.

In reality, of course, this cloistered character of the Government, this governmental sheltering behind a barricade of classification stamps, is an enormous, recent innovation in the American political system. Until the Second World War, the whole American Government was completely open.

In 1939-41, a time of danger, President Roosevelt actually stimulated a double flow of public information, in order to secure support for his great prewar measures. Even in the first Truman administration, the American Government was still largely open. And the resulting massive flow of public information was what secured support for the Marshall plan and the other great innovating measures of that remarkable era.

In these past periods of active Government, in other words, there was no attempt to prevent the Nation from learning about the problems confronting it. There was even an active effort to acquaint the Nation with all the details of those problems. Therefore, when the Government was ready to act, the Nation was also ready. But in the more recent years of passive government, there was an opposite effect—an effort to conceal the mere existence of national problems.

Not wishing to take action, any passive government naturally wishes the electorate to feel no need for action. Concealment, in these circumstances, is quite logical. But the habits formed in the years of passivity, though now deep-rooted in our officialdom, are not logical any longer, when the President so clearly wants the Government to be active again. What was sauce for the goose, in this case, is plain poison for the gander.

This is one of Kennedy's basic dilemmas. If he resolves the dilemma by restoring the old, traditional Government openness, he must pay the price of the numerous embarrassments that always afflict open government. Yet some of those around him are urging payment of this considerable price, because they see that no American Government can be successfully active without being open.

The CHAIRMAN. The question is on the substitute amendment offered by the gentlemen from Iowa [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. ARENDS) there were—ayes 67, noes 71.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. ARENDS].

The question was taken; and on a division (demanded by Mr. ARENDS) there were—ayes 80, noes 84.

Mr. ARENDS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. ARENDS and Mr. MATTHEWS.

The Committee again divided and the tellers reported that there were—ayes 113, noes 138.

So the amendment was rejected.

Mr. BATTIN. Mr. Chairman, I move to strike out the last word.

(Mr. BATTIN asked and was given permission to revise and extend his remarks.)

Mr. BATTIN. Mr. Chairman, it seems like the chairman of the Committee on Agriculture is getting picked on a little bit today.

On March 7 the chairman of the Committee on Agriculture [Mr. COOLEY] stated in speaking of section 3, H.R. 4510—I will quote him:

I know a lot of people are apprehensive and they are fearful that with section 3 in the bill the Secretary might break the corn market and adversely affect the grain trade. But this is his responsibility.

The question I raise is whether or not this Congress is going to abdicate its right to decide what the laws of the land are going to be, and completely give to the administrative side of government the power to dictate and the power to decide what is good for the people who are, in this instance, engaged in farming. Members who have spoken on the problem have directed their comments almost completely to corn rather than taking into consideration that whatever we do here not only affects corn but it affects wheat. I do not think there is anyone in this body who represents more farming areas than I do. We in Montana are concerned with any piece of legislation that *carte blanche* says we are going to pass a bill and let it be administered downtown without any guideposts for the Secretary to follow.

Consider for a moment the fact that this is nothing more than another soil bank. I happened to disagree with the Secretary of Agriculture in the past administration on the question of the soil bank and I also disagree with the present Secretary when he says, that to reduce the number of acres that our farmers have on which to make a living is going to be beneficial.

May I call your attention to the fact that while we are retiring acres from production in this country our State Department is going overseas and saying: "We have retired some corn production in the United States so why don't you produce corn in your country so you can compete with our farmers in order to make a better life for everybody?" And then we provide the money so they can learn to produce corn and continue to depress the market and add to our surplus.

If we are going to reduce acreage for our own farmers then let us not give it to another country.

Now, Mr. Chairman, I would like to ask the chairman of the Committee on Agriculture a question. Does the chairman believe it is the responsibility of this Congress to determine whether or not the corn market, or any grain market, should be broken, or does he believe

that this would be solely the responsibility of the Secretary of Agriculture?

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. BATTIN. I yield to the gentleman from Texas.

Mr. POAGE. This bill does not give anybody authority to break any market. I am sorry the gentleman has not read the bill which provides that the Secretary of Agriculture cannot sell corn in the market at less than 17 percent below the support price, which figures out \$1 per bushel. One dollar per bushel is the market price now. The effect of this provision is that the Secretary of Agriculture cannot break the market. He can say, "Those of you who do not cooperate cannot expect to let us raise the market for you through the activity of the cooperators." But even those non-cooperators are protected against any break in the market at the hands of the Secretary.

Mr. BATTIN. The gentleman from Texas misunderstood what I said. He disagrees with the chairman, not me. I am quoting from the RECORD of March 7 where the chairman of the committee stated that he realized some people have fears but that it is not the responsibility of the Congress, it is the responsibility of the Secretary of Agriculture. This is a clarification I would like to have.

Mr. POAGE. I am not quoting the chairman or the Secretary. I am quoting the bill. The bill provides very specifically that nobody can sell feed back into the market for less than 17 percent below the support price, which is \$1. That means you cannot sell it so as to break the market.

The CHAIRMAN. The time of the gentleman from Montana has expired.

(Mr. BEERMANN asked and was given permission to revise and extend his remarks.)

Mr. BEERMANN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to go on record as opposing this bill in its entirety. First of all, I am a farmer and a feeder, and while there are more Members than usual here today, I wish they were all on the floor to hear a freshman Congressman and farmer say what he has to say. I have listened attentively to remarks on other bills, and this bill dealing with agriculture is so important that I think all should hear these remarks.

I am one of six brothers who farm and feed cattle on a farm in Dakota County. My share of this operation is 280 acres, on which I have the privilege of paying interest and taxes. That area of land is about equal to what is known commonly as a family-sized farm. When corn is in heavy supply and we have a good year, with plenty of corn, we sell corn. When it is in short supply, we buy as much as is necessary to support our feeding operation. And, I want to point out that my five brothers and I love to farm in this kind of a free economy.

The debate so far has been on a matter of degree; a degree of more Government interference and intervention.

Let us discuss the philosophy that I believe prompts this measure, and I am

seriously wondering about this as we debate this legislation. I say this because in our committee—I am not a member of the subcommittee; I wanted to be; there was not room for me on this subcommittee, and rightfully so, because I am a freshman—and I want to point out the last half of this bill was not read in executive session of the entire committee. That is why I am taking the time to say what I have to say. I am seriously wondering, as we consider this bill, whether or not we are considering a measure that is in the best interests of the farmer and the consumer of the country as a whole, because I am quite certain that we cannot write a bill that will cure all of the ills of agriculture, even those within the feed grain area.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BEERMANN. If I have sufficient time to conclude all of my remarks; yes, Mr. Chairman.

Mr. COOLEY. I just want to call the attention of the gentleman to the fact that the bill was actually read in the committee word for word, line by line; it was read over many times. I do not recall whether the gentleman was there when it was or not, but I am certain it was read.

Mr. BEERMANN. Mr. Chairman, when it was 5 minutes to 12 the chairman said 5 minutes, 4, 3, and the House was in session, did he not ask to dispense with the reading of the rest of the bill?

Mr. COOLEY. We read it over three times before we got to that place where I made that suggestion.

Mr. BEERMANN. Thank you for your remarks.

We have been trying to do something along this line since the 1930's and have consistently come up with more reserves instead. And, I further wonder if the proponents of this bill are not as far out of touch with farm thinking as I was with the general thinking in the year 1945. I returned to the United States that year after 3 years abroad in the service in World War II. When I left in 1942 every single person in the United States was trying to get a job done. Three years later, when I returned, everyone or almost everyone wanted something from the Federal Government. A long way, indeed, from the 1942 state of mind.

Now, I want to go into the philosophy that underlies this particular piece of legislation. As I understand, from committee hearings, it was originally proposed by our new Secretary of Agriculture, Orville Freeman. Mr. Freeman in his appearance before the committee styled himself a conservative. I would like to add here if this bill is the Secretary's idea of being conservative, then the Lord save us from liberal legislation. Secretary Freeman in his deliberation as to what is good for the farmer is being assisted by Dr. Willard Cochrane, who received his Ph. D. from Harvard, and who is listed as economic adviser to Secretary Freeman.

On December 6, 1958, Dr. Cochrane made a speech before the Midwest Swine Marketing Conference at Ames,

Iowa. That is next to my State. In that speech Dr. Cochrane was quoted as saying that supply control can enable swine producers to gain bargaining power on the market if they want it.

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. BEERMANN] has expired.

(Mr. BEERMANN asked and was given permission to proceed for an additional 5 minutes.)

Mr. BEERMANN. I shall be glad to furnish the rest of his remarks, if anybody wants to read them.

Let's hear a little more from Dr. Cochrane, the man who is advising our new Secretary on farm economics:

On Monday, February 20, 1961, Dr. Cochrane made another talk before the Missouri Farmers Association at Columbia, Mo. In that talk which was labeled, "New Developments in the U.S. Department of Agriculture," Dr. Cochrane is reported as saying:

How do we resolve this tough feed-grain problem? In general terms—we must reduce the output of feed grains in 1961 and expand utilization. (A) We can achieve the reduction of feed-grain output in 1961 by a voluntary control program along the lines recommended by the Feed-Grain Study Committee. The main features of that voluntary program are (1) Increase the level of price support on corn to \$1.20 per bushel and equivalent increases on other feed grains, where this guarantee of price support is limited to farmers who participate in the program. (2) The retirement of 20 percent of each producer's feed-grain acreage into a nonproductive, soil conserving practice. (3) The payment to producers of a conservation practice payment to induce farmers to participate in the voluntary program. (4) The provision of a payments-in-kind feature for those program cooperators who wish to cut back more than that required for eligibility for price support.

Dr. Cochrane then went on to add that several features can be added to the above program which complement it. First, raise the price of soybeans relative to corn and thereby induce a substitution of soybean production for feed-grain production. Second, increase the profitability rates in the animal products, by purchase and other price supporting operations, and thereby draw down Government stocks of feed grains. Third, use the soybean oil and animal products acquired under points (1) and (2) above, in expanded domestic and foreign food distribution programs.

To end his speech, he said:

We will use all three of the above approaches in some combination during the forthcoming years. I cannot, at this time, however, say just what the precise prescription will be in 1961. Congress is now considering those aspects of the above program that require legislative action, and we must wait and see what exact form that action will take.

Mr. BRUCE. Mr. Chairman, will the gentleman yield?

Mr. BEERMANN. I yield to the gentleman.

Mr. BRUCE. Mr. Chairman, I would like to commend the gentleman from Nebraska for having the courage to restate certain fundamental principles which are of the greatest importance in this day of crisis, both national and

international. Certainly the fallacy of Government regimentation and control is evident in the confused debate that we have had here in the last 2 days. Everybody wonders whom they are going to hurt or whom they are not going to hurt, with all kinds of controls and regimentation. I commend the gentleman from Nebraska for restating his belief in the principles of a free society.

Mr. BEERMANN. I thank the gentleman from Indiana.

Mr. Chairman, the point that I am making here is this. I have often told farmers in the Third Nebraska District that there are those who are bent on complete control of the farm, exactly as it is controlled in some foreign countries. And if we want the blueprint of just how that is going to be accomplished, do we go over the speeches of the man who is currently advising our Secretary of Agriculture?

Mr. Chairman, I am completely opposed to control of our farm, and I am quite sure control is opposed by more than a majority of the Nation's farmers. We had proof of that in 1958 when in a national referendum we farmers voted by about 70 percent to have unlimited corn production—or, if you want totals in round numbers, 254,000 for unlimited corn production to 102,000 against.

We farmers want to operate in a free economy just like every other business and profession—grocery store, filling station, bank, dry goods store, and medicine or law. We want the right to plan our operation just like every other producer and consumer, because if we do not have that right we do not know where we stand.

I believe the farmer needs help but it should not come in the way of more controls, more complex regulations. Instead, the Government should gradually withdraw from the farm and let it function just as it does in every other business. Let the farmer raise what he can use and sell. If he needs financial help, let it be extended in the form of cash loans on a percentage of his crop market price, backed by a realistic repayment plan. Extend this aid through Federal channels if need be.

We farmers want to be competitors. We want the right to farm in the best way that experience and God has taught us. We want the right to use all technical skills as fast as they are developed by research—in short, we want to farm the best we know how.

Most of all, we want to be free. We are probably one of the few outposts of real freedom left in these United States.

If emergency legislation of this type—legislation that puts a bonus on nonproduction, encourages inefficiency, and deprives a farmer of the right to run his farm as he knows best—is enacted, then I wonder if we may not be the last of freemen anywhere.

Mr. BERRY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I did not expect to be able to follow the very fine remarks of the gentleman from Nebraska, but my thought follows so closely the same lines as his.

The agricultural experts here in the House have now gotten this bill pretty much in the shape they want it, and I suppose that whenever this happens someone always comes along and throws a skunk into the henhouse. I expect that is about the way my remarks will be interpreted.

For 2 days I have listened to interparty and intraparty arguments over this bill. Everyone, regardless of which side of the aisle they sit on, is agreed that the purpose of this bill is to increase the price of feed grain and this is a noble purpose, so far as I am concerned.

But, let me suggest to you that Congress cannot increase the price of any farm commodity without at the same time tightening the import fence around the farm, either through increased tariffs, or quotas or some kind of a tax. If we do, we only invite increased agricultural imports.

The better the domestic price, the greater the incentive for friendly foreign farmers to ship their production into this country.

When we increase the imports, we just add that much onto our so-called surpluses. And how do we solve the surplus problem? By forcing domestic acreage reduction. What do we do when we force acreage reduction? We simply take that many more farmers off the farm and send them to town to build up the army of unemployed.

The taxpayer pays for the rent of the land taken out of production; he pays for the support of the farmer who is now among the army of unemployed; he loans him money through FHA to build a home in town, or provides public housing for him, if he cannot get an FHA loan; he increases his social security for him; he pays for jobs through depressed areas legislation and builds new schools for him through Federal subsidies for education—all because Congress in its great wisdom wants to make more friendly foreign farmers, regardless of the effect upon our agriculture.

For instance, we are talking about feed grains—let us take a look at feed grains.

Today we have in storage 268.2 million bushels of oats. Oats imports during the past 10 years have exceeded 310.7 million bushels. The average oats production is 40 bushels to the acre. In other words, oats imports have displaced the production of 80 million acres. How many American farmers have we put off farms with oats imports?

Let us take barley. We have in storage 167.7 million bushels. We have imported 225.6 million bushels in the past 10 years. At 30 bushels to the acre, we have displaced the production of 75 million acres. How many farmers has this displaced?

Rye is worse. We have in storage 10.5 million bushels. Imports of rye in the past 10 years has exceeded 44.4 million bushels—four times as much as the present surplus—yet we pay storage on all of these imported grains and blame the American farmer for overproduction.

Each year we permit the imports of more than 2 million head of beef, a half million hogs, over 1¼ million sheep and

lambs, displacing the production of more than 45 million acres, that you are forcing the American farmer to take out of production, thereby forcing that many more American farmers off the land.

Is it any wonder that our young farmers are demanding some protection against all this foolishness? Is it any wonder that they cannot find land upon which to establish themselves in the farming business? Is it any wonder that our economy is out of balance?

This, we are told, is the price tag for creating friendly foreign farmers abroad. Millions of acres taken out of production, thousands of farmers forced off the land, billions of dollars heaped upon the backs of the dwindling taxpayers—and, Mr. Chairman, just how many friends are we making?

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. BERRY. I yield to the gentleman from South Carolina.

Mr. DORN. The gentleman is absolutely correct. The gentleman is making a very worthwhile and able contribution to this debate. Not only are we importing cattle and Communist ham from Poland, but last year I put into the CONGRESSIONAL RECORD an article from the Lancaster, Pa., Livestock Reporter, that more than 50,000 pounds of kangaroo meat was imported into the United States and sold as beef in the great State of Pennsylvania. No wonder that article was headed "Are You Jumpy These Days?"

Mr. BERRY. I thank the gentleman for his contribution.

Mr. DOMINICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOMINICK: On page 4, line 17, after "grain sorghums, soybeans, and any other" strike out "feed grain or".

Mr. DOMINICK. Mr. Chairman, we have heard throughout this entire 2 days' debate that this program is designed to be a voluntary program, that you do not have to go into it if you do not want to, that they are not trying to exert any particular force to require you to go into it; and the committee in the consideration of this bill knocked out the original request that in addition to corn acreage you should also reduce the amount of oats, rye, and barley. This is no longer a requirement, and in many areas of the country oats, rye, and barley are being or have been planted as a cash crop. They are designed in many instances to form the basic income of the farmer, and there is nothing in this bill as it was brought out of the committee which would indicate either that the farmer was in jeopardy as far as the amount that he could plant was concerned or that he was in jeopardy as far as getting his price support on these crops was concerned; yet they come through the back door by way of subsection (2) of section 2 on line 17 and say that wherever corn is grown or has been grown for the last 2 years by any farmer and he also grows any of these feed grains of which I have spoken he has absolutely got to come in on this corn program or he does not get the support money on his other

feed grains. This is something he had not expected when he planted; yet now they come in through the back door saying, "You are going to have to go along on this corn program if you want to get what you are already legally entitled to." This, to say the least, is compulsion and refutes the statements made by the committee chairman and the ranking majority member as to the program being voluntary.

The purpose of this amendment is simply to take out "or other feed grains." This is not a question of cross-compliance. There is nothing in this amendment which, if passed, would permit a farmer to take the diverted acreage and put it back into grain feed production. This simply states that what Congress has previously said you can get by way of price supports, and what the Secretary's regulation has said you can get, you are entitled to get regardless of whether or not you go along with the new corn program.

Is there any logical reason why a person who has planted, relying on announcements made by Congress, and by the Secretary—is there any logical reason why he should not be entitled to get them without being forced to do something that was not a consideration at the time the support prices were fixed?

This is supposed to be a voluntary thing, yet they say, we are going to require you to go along on this corn program in order to get your support price on the other grains. That is not voluntary. In many instances the corn, which is grown in conjunction with barley, rye, and oats, is grown mainly as silage, but this bill states that corn is corn, whether it is used as silage to feed your livestock and poultry, or whatever it may be used for, and if you want to get your support price on these other grains you have to go along on the corn program.

Again I appeal to you to support my amendment, which is very simple, namely, strike out those words "or other feed grains."

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think this is an illustration of the widespread failure to understand either the program or the bill. The gentleman from Colorado suggests that it would be very inequitable to those of us—and I say "us" because I am in the oat business and have more acres in oats than in any other crop on my farm, and that same situation is probably true of most of the other farmers in my area, so I should be privileged to speak in the first person about this matter.

The bill says that if those of us who are growing oats are to participate in the extra payments this bill provides, we must cooperate with the feed grain programs.

Mr. DOMINICK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. DOMINICK. Section 2 states what the Secretary shall require as a condition of eligibility for price support of any other feed grains.

Mr. POAGE. Yes.

Mr. DOMINICK. That you have to participate in this program.

Mr. POAGE. It says that if we are going to get the high supports this bill gives for oats, barley, and rye, we must then participate on corn and grain sorghums. If I want to get the special advantage, it seems to me I ought to participate in the program and make some reduction. If you do not keep the safeguards of the bill, you are going to give these people a complete windfall with no participation at all. If you are growing corn or grain sorghums the present bill does not impose a single obligation on you, but if you are going to get the extra price for your oats and then you are going to grow corn or grain sorghums you have to participate. I do not see anything wrong with that. I do not see anything unfair in requiring a man who is going to get a special and substantial payment from the Government to comply. These special payments are being made for cooperation. Now, why should the producer not cooperate on another operation which involves feed grain and add to the total surplus of feed grain? The whole question is, Are you in favor of cutting down this unnecessary feed grain production of 400 million bushels a year more than we need? Are you interested in providing a market for someone's elevator to store this surplus, or are you going to make a real effort to save the taxpayers some money?

If you pass the bill as written you have the assurances of the committee and of the Department just as far as we can tell you that it will give you a very substantial reduction in the unnecessary production of feed grains. If you adopt this amendment and others like it—you can see that there is a trend with these kinds of amendments, each and every one of which is nibbling away at the effectiveness of the bill—you will help destroy it. None of these amendments individually will destroy the bill, but each and every one of them takes away its effectiveness, and each and every one of them costs the taxpayers money.

Mr. Chairman, I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. DOMINICK].

The amendment was rejected.

The Clerk read as follows:

SEC. 2. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(c) Notwithstanding any other provision of law—

"(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1961, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums to an approved conservation use and increase their average acreage devoted in 1959 and 1960 to designated soil conserving crops or practices by an equal amount: *Provided, however,* That any producer may elect in lieu of such

payment to devote such diverted acreage to any crop not in surplus, not eligible for price supports, and not produced principally for livestock feed as may be designated by the Secretary. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn and grain sorghums in the crop years 1959 and 1960 or up to 20 acres, whichever is greater. Payments in cash may be made on an amount of corn and grain sorghums not in excess of the product of 50 per centum of the average yield per acre for the farm for 1959 and 1960 multiplied by the number of such diverted acres. Payments in kind may be made by the Secretary for the diversion of an additional 20 per centum of such corn and grain sorghum acreage. Payments in kind may be made on an amount of corn and grain sorghums not in excess of the product of 60 per centum of the average yield per acre for the farm of 1959 and 1960 multiplied by the number of such additional diverted acres. In determining the amount of conservation payments and price supports for the 1961 crops of corn and grain sorghums, the Secretary may make such adjustments in acreages and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production.

"(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(c). The Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1961.

"(3) Obligations under such program may be incurred in advance of appropriations therefor (i) for payments in cash in an amount not exceeding \$500 million, and (ii) for payments in kind for diversion of acreage, within such limits as the Secretary may require. Payments in kind shall be made through the issuance of negotiable certificates redeemable for feed grains by the Commodity Credit Corporation in accordance with regulations prescribed by the Secretary."

Mr. HOEVEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOEVEN: On page 5, line 17, after the word "Secretary" insert "but in no event shall popcorn be planted on such diverted acreage."

Mr. HOEVEN. Mr. Chairman, this amendment was discussed and acted upon in the Committee on Agriculture, and I understand it is agreeable to the chairman.

Mr. COOLEY. Mr. Chairman, I agree to the amendment, and I believe the rest of the committee agree.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSEN of Minnesota: Page 5, line 21 after the word "payments", strike out the words "in cash or in an" and on line 22 strike the words "equivalent amount" and line 23 strike out

"20" and insert "40"; and page 6, line 1, strike out the words "payments in cash" and strike out line 2, 3, 4, 5, 6, 7 and on line 8 strike out the words "and grain sorghum acreage"; and page 7, line 2, strike out the words "(i) for"; and strike out line 3 and strike out the words "000,000 and (ii) for" on line 4.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I am offering this amendment to test the fiscal responsibility of this House. We have in CCC stocks, \$9.2 billion worth of commodities owned by the taxpayers of the United States. Now, in the Green Acres Farm Plan proposal of last year, you will recall the House accepted at that time the proposal of a strictly payment in kind bill.

Now, what this amendment does is simply to take out of this bill all cash payments and provides that all payments be based on payments in kind. Now, if we really want to do something toward chiseling away this huge amount of corn, oats, and other commodities in Commodity Credit Corporation stocks, why should we give the Secretary the right to make payments in cash, when we have this huge surplus of grain on hand, worth billions of dollars and already paid for by the taxpayers? Why not use these stocks as an incentive, to pay for further reduction in planting by farmers? Why should we authorize the expenditure of a half-billion dollars, Mr. CANNON? Now here we are offering the farmer 60 percent payment in kind rather than 50 percent in cash. I think the average farmer would prefer to take his payment out of Commodity Credit Corporation stocks. I am discussing this from the viewpoint of a man who has sat upon the subcommittee of the Committee on Appropriations for 18 years dealing with this subject. I do not like to sit there next year and have to agree to throw another half a billion dollars further into this pot that is unnecessary. We can do the very same thing by letting these stocks of grain go out of CCC hands, into consumption, via the farmers by making payments in kind. Moreover, we will be doing a good deed for the farmer himself by starting to get rid of this huge stockpile which hangs over the market. Think it over, my friends. Can you give me any good reason why we should put a dime of cash in here except for administrative purposes? I do not think you can; not when we have \$9.2 billion of the taxpayers' money invested in these surplus crops. Why not utilize some of it to do what we want to do, and that is to raise up the general price level of agriculture?

Last June this House agreed to this theory of mine when it accepted my Green Acres proposal. Let us think of the taxpayers. Let us think of the farmer who will be more than glad to see this Commodity Credit stock used up rather than see a draft made against the Treasury for half a billion dollars. I think this just represents good fiscal responsibility. I am simply putting this before you for your consideration.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to my friend from North Carolina.

Mr. JONAS. Mr. Chairman, I ask the gentleman from Minnesota, is not this a glaring example of backdoor spending?

Mr. ANDERSEN of Minnesota. It is more than that; it is a waste, it is a waste of half a billion dollars when we could just give these farmers, as I propose, and as this bill proposes in part, certificates against the nearest CCC grain storage outlet. Frankly, I am a little disappointed with my Committee on Agriculture that they did not embody that feature in this bill instead of coming in here and asking of the taxpayer to throw another half a billion dollars to the bad along with this \$9.2 billion, and keep on throwing it away regardless of the condition of our Treasury, when here we have good commodities that could be very nicely paid out to the farmer, and liberally so, and to the advantage of everyone concerned and achieve just what everyone wants to achieve.

Mr. COAD. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to my friend from Iowa.

Mr. COAD. Mr. Chairman, my friend from Minnesota is a man who is well versed in farming and is himself a farmer. If I understand the amendment he is offering, it will make a total payment for the conservation acres, in kind, with no cash at all involved; is that correct?

Mr. ANDERSEN of Minnesota. That is correct.

Mr. COAD. Is not my friend aware of the fact that this would immediately put all of these commodities on the market, that this would not decrease in the market or in the feeding operations one bit of grain? And does he not agree that this would be rather fatal to any kind of farm legislation that we have up here now?

Mr. ANDERSEN of Minnesota. The gentleman does not get the point I am making.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. ANDERSEN] has expired.

(Mr. ANDERSEN of Minnesota (at the request of Mr. COAD) was given permission to proceed for 1 additional minute.)

Mr. ANDERSEN of Minnesota. Mr. Chairman, as I said in my Green Acres program, when you make payments to farmers in the form of corn, or whatever it may be, out of CCC stocks and consume it on the farm, instead of producing more corn, that reduces the visible supply and the surplus. That is what we want to do.

Mr. COAD. I am sure I agree to that extent with the gentleman.

Mr. ANDERSEN of Minnesota. It could not be anything but good for agriculture to do that.

Mr. COAD. Yes, but it is true that you have to reduce your production first before your holdings will effectively work to get in kind that overall reduction.

Mr. ANDERSEN of Minnesota. We would take 40 percent, according to my proposal, out of production right away.

Mr. COAD. That is true, but you are taking an equal amount out of the Commodity Credit Corporation and putting it back into the feed grain supply.

Mr. ANDERSEN of Minnesota. The total supply would be reduced by 40 percent immediately and in place thereof we would take a payment in kind out of the Commodity Credit Corporation stock. So we would save about \$100 million a year on storage charges alone with this bill by accepting this amendment.

Mr. COAD. On the overall supply that is true, but not in the marketing and use supply.

Mr. ANDERSEN of Minnesota. I think if the gentleman will analyze this amendment he will find it is just plain, good, common horsensense.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think I can assure the gentleman that I am personally in sympathy with the objective of his amendment. Further, I can assure him that under the language of the bill his ultimate objective can and might even be accomplished. If the gentleman will refer to lines 21 and 22 on page 5 of the bill, he will see that the language is as follows:

The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn and grain sorghum in the crop years 1959 and 1960 or up to 20 acres, whichever is greater.

Under this language the Secretary can pay in kind all or in part for the first 20-percent reduction, and on the second 20-percent cut in production should pay, and the bill requires him to pay, all of that in kind.

As the gentleman from Texas [Mr. POAGE] pointed out, if you take advantage of the fact that the Secretary must make all the payments in kind and he issues all of these certificates, these certificates are in the hands of the farmers and they are negotiable; then it is entirely possible that the farmers themselves might break the market. If you leave language as we have it in the bill and trust the Secretary to make these payments in kind in the volume that he deems appropriate to prevent wide fluctuations in the marketplace, it seems to me that we would have a much better program than to make payments in kind mandatory on all land retired under this program.

I have discussed this particular feature with the Secretary personally. It was well considered in our committee. I agree with the gentleman. I hope that we might make all these payments in kind and not spend a dollar. I believe that can be done in an orderly fashion. I say for the record that I hope the Secretary will so administer this provision.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. QUIE. I have a misunderstanding of the bill if what the gentleman

says is correct. As we discussed the bill in committee we were led to understand that the \$500 million must be expended before they could use "in-kind" payments for the first 20 percent. This was the impression that was left with us.

Mr. COOLEY. That is exactly what the impression was to begin with, but in the final drafting of the bill the language is just as I have read it. The report clearly indicates that. The record and the legislative history will clearly indicate it is the intent and purpose of this provision to authorize the Secretary to pay in kind even for the first 20 percent of compliance.

Mr. QUIE. The gentleman from Minnesota [Mr. NELSEN] has an amendment along this line. Perhaps he can clarify it.

Mr. NELSEN. For the information of our good chairman, I have an amendment prepared that makes it optional for the farmer. If he desires feed rather than cash, he may take feed for the entire 40 percent, but when he does he must agree not to turn this back into market in competition with the market. Perhaps this has already been cleared up, but I wanted to make it very clear, because in my judgment the great participation that I expect could be achieved on our feed farms is going to be because of the availability of feed which the farmer would have for the land retired.

Mr. COOLEY. May I say to my friend, if these certificates are issued, they become the property of the farmer to whom they are issued. Now he has the right to sell these certificates because they are negotiable. He can sell a certificate to a local merchant or he can hold it and he can redeem it in kind. But, ultimately, the certificates must be redeemed in grain and not in cash. Of course, the farmer will want the cash and we have some complications because the situation is different in different sections of the country. For instance, in my own State we have no commercial corn in storage so if I have a certificate that has a certain value, I may send it to Chicago to be sold there. Whoever is handling that certificate for me will pay me in dollars based upon the dollar value of the corn.

Mr. NELSEN. My amendment would not disturb the provisions you suggest. The provisions that are in the bill would remain in the bill, but optional to the producer would be the right to take payment in kind. It would be a more liberal payment and if the farmer desires feed and if the circumstances are such that he can exercise this option, it would seem to me there would be no objection to this provision, and it would also seem to me it would cover the point that the gentleman from Minnesota [Mr. ANDERSEN] makes in his suggestion.

Mr. COOLEY. I do not want to say I object to the amendment because I have not given it careful consideration. I know Mr. ANDERSEN acted in the best of faith in making his proposal and I agree heartily with his objectives, but I think I can assure you that we can accomplish the same thing under the language which is now in the bill. There was some question about it yesterday so

we discussed it among ourselves, the members of the committee, and with the officials of the Department of Agriculture who were with us, and we all agreed that this interpretation, which I am now placing on this language, is accurate.

Mr. NELSEN. Can I leave the amendment at your desk so that you can look it over before we come to this part of the bill?

Mr. COOLEY. Yes; I would be glad to do that, but I do hope that you vote down the Andersen amendment with the assurances we now have been given.

Mr. QUIE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, if I might have the attention of the chairman of the committee, I would just like to clear this up in my own mind. In the report on page 5, in section 2, No. 2, it says, similar to the bill:

(a) Authorizes cash payments (or an equivalent amount in kind) at a rate of the support price times 50 percent of the average yield per acre.

So it really says nothing different than the bill does. As I understood it in committee, and from talking to some of my colleagues and in the colloquy with Dr. Cochrane during committee sessions. He indicated \$500 million would be used and then we put in "or an equivalent amount in kind" so that he would have enough money, so to speak, or payment in kind in order to pay the additional amount if the 20-acre corn farmers took their entire acreage out. Is that not correct, that you understood the way the Department would administer this program is that they would use up the full \$500 million before they used anything in kind?

Mr. COOLEY. No, I said it was the original thought that up to \$500 million, and not to exceed \$500 million, would be used to bring about the first 20-percent reduction, but in the final drafting of the bill and the language we now have, we give the discretion to minimize the use of the \$500 million. I agree with Mr. ANDERSEN. I hope he can administer the program so as to save all of that money. But, certainly, he may have to use part of it.

Mr. QUIE. We all hope this is the way he would administer it, but I do not know if you were in committee at the time or were out at the moment, when Dr. Cochrane stated that he would use the full \$500 million before he would use any payment in kind on that program. Do you think there is any chance in the world that they would pay in kind before they used up the \$500 million?

Mr. COOLEY. Do I think there is any chance to use payment in kind?

Mr. QUIE. Does the gentleman think there is any chance in the world that the Department of Agriculture would pay any amount in kind before they use up the entire \$500 million?

Mr. COOLEY. I am sure that is the very purpose of the power vested in the Secretary; and I say again now before the House as a Member of the House and Chairman of the Committee, I hope he will use payment in kind as far as circumstances justify.

Mr. QUIE. Mr. Chairman, I believe that if the Committee does not adopt the amendment the Department of Agriculture would not use payment in kind until the \$500 million is used. I believe that with the huge amount of surplus we have, it would be to our advantage to make certain that they pay in kind rather than pay in cash. It would cut production, as the gentleman from Minnesota said, by 40 percent, because they would be paid 60 percent in kind. This would have a salutary effect on the market and would be of advantage to all the taxpayers of the country if they would cut down the huge cost of storing this grain. It would also have the effect of increasing the price because the market which is depressed by surplus would be improved by the surplus decrease.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. ANDERSEN of Minnesota. Is it not a fact that the price level will rise as soon as this huge surplus is reduced?

Mr. QUIE. That is true.

Mr. ANDERSEN of Minnesota. Is it not a fact that the purpose is to cut down surplus and thereby raise the purchasing power of agriculture?

Mr. QUIE. The gentleman from Minnesota is so correct.

Mr. POAGE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I want to call the attention of the House to the fact that there is another matter involved here which I do not believe we have discussed in addition to the desirability of using surpluses to make these payments. I fully agree with that. I think every member of the committee agrees that we should use surpluses as far as we can.

We must never lose sight of the fact that the primary purpose of the bill is to reduce production of unneeded feed grains in the future. Then unless we reduce production in the future we are going to build up surpluses again. How do you get a reduction in the future? You have got to make it attractive to the farmers to take their land out of feed grains.

It may be possible that we will need to make some cash payments in order to do that. I think we all agree that we do not need to make all payments in cash. The committee hopes that not too much money will be paid out in cash but that a much larger percentage will be made in kind. As the bill now stands, all of the payments can be made in kind if the Secretary finds that he is getting enough participation, but if he finds he is not getting adequate participation he can then make some of the payments on that first 20 percent in cash.

Under the Andersen amendment the Secretary will have no such discretion and if we find that the in-kind payments are not getting the results that we need there will be no way in which the Secretary can get those results. I plead with you that you do not tie the Secretary's hands to that extent. Let us leave the Secretary free to move whichever way he finds is needed to get participation.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Certainly.

Mr. ANDERSEN of Minnesota. Does not my good friend recall that last June he stated on the floor that he was in sympathy with the green acres bill as I then proposed which did not call for cash but only payment in kind?

Mr. POAGE. Yes, and I am in sympathy with it, but I think the measures provided in the bill give us the only practical way in which we can get the results desired. Remember, there must be at least 50 percent payment in kind.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield further?

Mr. POAGE. Certainly.

Mr. ANDERSEN of Minnesota. Let me ask my friend as a practical matter if my amendment is accepted could the gentleman not go to conference and work out a compromise with the other body?

Mr. POAGE. No. As one of the conferees I am going to the conference to try to maintain the position of the House, whatever it is. I am not interested in passing something with the idea of repudiating my own action later. I am telling the House what I think. I want to see the bill passed as we have it rather than to pass something just for the sake of taking it to conference.

Mr. ANDERSEN of Minnesota. That is what I want to do, pass legislation that will be the best legislation, and my proposal will make this all the stronger.

Mr. POAGE. The gentleman is asking that we tie the Secretary's hands so that he cannot ever use any cash.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Kansas.

Mr. AVERY. Would this not be the situation: If it is mandatory that all payments be made in kind and section 3 stays in the bill, which could happen, is it not possible the disposability value of these certificates would be 17 percent less than the cash value?

Mr. POAGE. I think very probably so. I think you do run a risk by tying the Secretary's hands, which gives him the opportunity to pay part of this in cash. We do not want to pay it all in cash.

Mr. THOMPSON of New Jersey. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, some of the colloquy between members of the Committee on Agriculture, who are experienced in these matters, are a little bit confusing to us city boys. However, we have a great stake in this legislation. One of the leading questions being asked is, what will it do to food prices in the grocery stores?

Actually I would be willing to trust this administration to help and not to make life any harder for the people who are skimping along without enough work or who for other reasons are having trouble making ends meet. The whole effort of this administration is to ease the burden for people who are having difficulty—not to make it harder to bear.

However, since the question was seriously raised, I took the trouble to find out whether this program would, in fact,

create any scarcity of feed grains or the food products that result from the feeding of grains. Of course, the answer is "No."

One of the great worries the Government has is how to provide storage for all the feed grains that would be on hand next year if the present program is not changed. The Government itself is holding 2.7 billion bushels of feed grains. The Department of Agriculture says this is far more than is needed as a safe reserve. However, this would be increased under the program that is now in operation. The administration would like to reduce this Government stock by 500 million bushels, and they think they can do this under the proposed new program. This seems to me to be a reasonable thing to do. It would save the public money, and it would certainly not create any shortage of grain.

We should note that the farmer gets only 39 cents of the consumer's dollar. The corn that goes into a pound of pork is worth only about 17 cents. Even from dairy products, the farmer gets only 45 cents out of the dollar that you spend or I spend.

The people of my district are not going to lose anything by cooperating with the farmer to prevent a further buildup of the feed grain surplus. Instead, they will gain.

Farm income has been going down for a long time. We want to stop that decline. We want to start it upward. In my opinion, the long depression that has been going on in agriculture has hurt us in the cities. It has contributed to the present unemployment. Agriculture and labor and industry are linked together whether they want to be or not. That is just the way things are. Let's link them together the right way. Let's walk arm-in-arm—farmer, worker, and businessman together—forward under the wise leadership of our new administration.

Addressing consumer groups, the decision is clear, either support this bill with section 3 in it to bring about production control or support legislation which will take away the authority of the Secretary of Agriculture to support feed grains at any price. Under present law the Secretary can support feed grain at 65 percent of parity, thereby bringing about increased production, with more of these commodities going into the storage bins at great cost to those who never benefit, even indirectly.

I support title 3, and support it on behalf of my people who must do their farming at the grocery store.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I will be pleased to yield to the gentleman from Illinois.

Mr. PUCINSKI. I would like to ask a question or two of the committee apropos of what the gentleman just said. I was in Chicago over the week end at a "Get America Back to Work" rally. At this rally there were some 15 mayors from southern Illinois cities, as well as the mayor of Chicago, Richard J. Daley. And there were a great many unemployed workers who had been employed in the implement and farm equipment production industry. Illinois happens

to be the largest manufacturer of farm equipment in America. They said at this rally that they were extremely anxious to see this legislation adopted because by raising farm income, farmers could buy farm equipment and it would help these people get back to their jobs. I was wondering if the chairman would be good enough to comment on the close relationship between enactment of this legislation and the prospect of getting people in industrial centers back to work?

Mr. COOLEY. I would answer that by saying that the Secretary of Agriculture, in presenting this program to us for our consideration after it had been recommended to him by the study group, stated that one purpose was to reduce production. Another purpose was to reduce surplus, and the third and most important of all was to maintain farm income.

Mr. THOMPSON of New Jersey. Does not this legislation achieve those purposes?

Mr. COOLEY. It does exactly those three things, and that is the reason I cannot understand why anybody would vote against it.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was pleased to hear the remarks of the gentleman from New Jersey [Mr. THOMPSON], which were in sharp contrast to those we heard yesterday from the gentleman from Rhode Island [Mr. FOGARTY], who seemed to want to blame farmers for the high prices of food in the cities.

A year ago when hearings were held in the Committee on Post Office and Civil Service on the pay increase bill for Government employees we had Mr. Ewen Clague, the Commissioner of the Bureau of Labor Statistics of the Department of Labor, before the committee to give us information on the costs-of-living, particularly with reference to food.

At that time I said to Mr. Clague:

I notice you give 29 percent weight to food as a whole.

Mr. CLAGUE. Yes.

Mr. GROSS. That is something of a coincidence because that is exactly the percentage by which Iowa farmers' income dropped last year. Do you agree with my observation that the farmers did a pretty good job of underwriting low food costs in the last year or two?

Mr. CLAGUE. Yes, I would say that food prices at retail have been one of the factors that have kept us stable since the summer of 1958.

I would again remind Members of the House that the farmers have been underwriting a substantial part of the costs of living of the consumers of this country. Now, let us be fair. This bill, with the elimination of section 3 should build up farm income at least to some extent, and consumers ought to expect to pay somewhat more although the big spread in prices occurs after the commodities leave the farms.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from North Carolina.

Mr. COOLEY. I agree with the gentleman and congratulate him upon his splendid statement and to express regrets that the gentleman from Rhode Island, who made the speech here yesterday afternoon, is not here this afternoon to hear the remarks of the gentleman from Iowa with reference to the cost of living. I think the gentleman has presented the factual situation, which should appeal to the Members of Congress from city districts.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I would like to stress a point that has not been stressed too much here, and that is that the \$4 billion which the Federal Government now has invested in surplus production of this country is money that the American people have paid out in taxes; not only the consumers of this country but the taxpayers in general. Now, this bill or some such bill as this is certainly necessary to help the consumers by, in turn, relieving a tremendous part of the cost which relates back to overproduction. So, I think in the long run they are bound to save money if we can bring about a price level on the production we need instead of an overproduction, which costs everybody.

Mr. GROSS. I thank the gentleman from Mississippi, as well as the gentleman from North Carolina, Mr. COOLEY, for their comments.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. YATES. Will the gentleman tell us why he thinks section 3 should be stricken from the bill?

Mr. GROSS. Section 3 provides:

Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized to sell any corn or grain sorghums during the marketing year for the 1961 crop of such grains at any price not less than 17 per centum below the 1961 support price for such grains.

I just do not agree that any Secretary of Agriculture should have that much power.

Mr. FARBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. FARBSTEIN. Will the gentleman please make some comment upon the commercial farmers who are being subsidized in millions of dollars?

Mr. GROSS. I have supported every amendment that has been offered to other bills to cut down those huge payments to a comparatively few farmers in this country; and I will support any amendment that may be offered to cut them still further. I agree with the gentleman from New York that some of these payments are utterly fantastic and have contributed to bringing disrepute to the farm program.

Mr. ANFUSO. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I had the great honor of serving on the House Committee on Agriculture for two terms. As a city member what I learned in that service was that this is not a one-way street. We city folks must help the farmers in time of need just as we expect their support when we have city problems that come up before us.

I am here, as I have always been, in the interest of the consumers, in the interest of the large segment of our population in our great cities. Under this bill city consumers and those who buy grains to feed livestock in deficit grain production areas need have no fears about the effects of this feed-grain bill.

It will not cause inflated feed-grain prices, and it will not result in any measurable increase in the costs of the food we buy in the form of meat, milk, eggs, and other livestock end products.

In fact the whole plan is designed to assure a continued abundance of high-quality foods at fair and stable prices, while at the same time bringing a better income to the important feed-grain sector of our economy.

As I understand the bill, better prices and better incomes will result for those farmers who comply with the program and help make badly needed adjustments in feed-grain production.

At the same time market prices would be held down. The authority for the release of grain from Government inventories, as necessary to assure stability, would guard against this. It is evident that grain market prices would increase little if any under this emergency program.

And it is an emergency program. No one can doubt that. With about \$4 billion already tied up in Government feed-grain holdings, something must be done at once to stop this wasteful buildup. This is in the interest of all of us—farmers, consumers, taxpayers. Bringing feed-grain supplies more nearly in line with needs is a must objective, and an objective which must be faced now.

The bill strikes right at this problem. Under it wasteful overproduction can be checked—Government holdings can be reduced, with resulting sharp cuts in the excessive costs of storing and handling these holdings—and total annual costs to the taxpayer can be reduced by around a half billion dollars.

And these gains—vital to the whole economy—would be realized without any penalty to deficit areas or consumers. I have checked carefully and I am fully satisfied on these points which I have made.

We have an alltime record supply of feed grains. Under this program, supplies will continue to be abundant. There is no threat of anything approaching a shortage or squeeze which could shoot prices up. All livestock production could continue at high and increasing levels.

In fact, the need for this program, and its first objective, is to reverse a trend which is burying us under too much feed grain production. If this trend were allowed to continue, it would hurt all

segments of the agricultural economy, and the total economy as well.

We must not forget that a sound and stable agriculture is vital to the welfare of all of us. Farmers are now an annual customer for industry and labor in a total of more than \$40 billion.

When farmers have the buying power, they are customers for the goods and services produced in industrial areas. When their buying power slips, we lose those customers.

And I repeat that while helping to strengthen the economy to the benefit of all of us, programs under this bill would pose no threat to the immediate interests of consumers generally, or to those who buy feed grains shipped into deficit grain-producing areas.

The safeguards are ample, and the whole program is sound. I say to my folks in the cities and my farm friends that this bill is absolutely essential for the whole security of our Nation.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I yield to the gentleman from Iowa.

Mr. HOEVEN. As I understand the gentleman, he is in favor of high prices for the farmer and low prices for the consumer. Is that correct?

Mr. ANFUSO. That is not correct.

Mr. HOEVEN. What impression does the gentleman intend to convey?

Mr. ANFUSO. I am trying to convey that I am in favor of giving the farmers a fair price. I am not saying a high price; what I am advocating is a fair price. I think the farmers are entitled to a fair price as much as consumers are entitled to a fair price in industry.

Mr. HOEVEN. I agree with the gentleman wholeheartedly. The gentleman wants to raise the farmer's income and so do I.

Mr. ANFUSO. Wherever the income of the farmer needs to be raised I am for that, just as I am for that of any other American.

Mr. HOEVEN. May I say to the gentleman that if the Secretary of Agriculture under the provisions of this bill can bring about higher prices for the farmer and lower prices for the consumer, he will indeed be a genius.

Mr. ANFUSO. I think we are trying to give the Secretary of Agriculture all the power he needs under section 3 to protect both the farmers and the consumers.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I yield to the gentleman from New York.

Mr. SANTANGELO. The gentleman on the left have tried to raise the bugaboo of higher prices for the consumer in order to obtain votes against this bill. Is it not a fact that in the last several years the farmer has received less and less of the consumer dollar while food prices have been going up, and is it not a fact that there is no relationship between the price the farmer is getting and what the consumer has been paying? It seems to me that the distribution cost has been causing such a spread between what the farmer receives and what the consumer pays.

Mr. ANFUSO. The gentleman is absolutely correct. The unemployment of 5 million people we have today is largely due to the fact that the farmers are not spending enough money for the city folks to build up their own income.

Mr. CANNON. Mr. Chairman, I am certain everyone will agree that the gentleman from New York [Mr. ANFUSO] and the gentleman from New York [Mr. SANTANGELO] are talking plain commonsense.

Mr. Chairman, as you know, I am one of the labor leaders of the House.

In the few minutes I have I wish to address a few brief remarks to my colleagues, my compatriots, the other labor leaders—of whom there are something like 200 or more in the House.

When I first came to Congress the only labor organizations in my district were the railroad brotherhoods and they were not politically active. None of the major legislation which today protects the laboring man and his family was on the statute books and men and children worked long hours 6 days a week at such wages as industry chose to pay.

It was not my fight. I was a farmer from a farm district.

But I felt that labor and agriculture had a common cause. They were preyed upon by the same predatory interests. And while my primary interest was farm legislation, I voted for labor as well as for the farmer.

I voted for the Wagner Act. I voted for the Fair Labor Standards Act. I voted for the wage and hour law. And all the rest of them. In brief, I have in my time voted for more labor legislation than any other Member of the House or the Senate.

Now, of course, every time I voted to increase the pay or reduce the hours of labor somebody had to pay that increase.

My farmers had to pay.

Tractors, automobiles, wire fencing, steel roofing, nails and building materials, shoes, schoolbooks all cost twice as much—if not four times as much.

Why? Because country Congressmen voted with city Congressmen to pass needed labor bills.

So, I am astonished here this afternoon to hear city Congressmen opposing this little farm bill, "Because," they say, "it will raise the price of food."

The farmer is the last man left who has nothing to say about the wage he receives for his labor. He has no voice whatever in fixing the price of what he sells—and nothing whatever to say in fixing the price of what he buys.

He drives up to the market with his products, produced by himself and his wife and his children, and inquires, "What are you paying today?" And no matter how low the price—even though it is below the cost of production—he takes it or he hauls his products back home to rot.

Then he crosses the street to buy necessities and he asks, "What is the price?" And no matter what he is asked he pays it or he does not get the goods.

I ask you Congressmen with whom I have been voting for labor legislation all these years what man can survive when the other fellow fixes his wages—and

when the other fellow fixes the price of his necessities?

You are bringing up a wage bill next week that will increase the cost of living on every farm and further widen the gap between industrial wages and farm wages. The farmer believes in high wages and high prices. But when the prices he pays are increased he expects the prices of what he sells to be increased. And when his wages are cut he expects the wages he pays to be cut.

I heard a distinguished Member of the other body on the radio a night or two ago talking about Abraham Lincoln. You know they talk a great deal about Abraham Lincoln these days, and very little about Benson.

He said Lincoln was often misquoted—that when his statement about the Government doing for people what they could not do for themselves was referred to they sometimes omitted "needed to be done."

But regardless of the phraseology used—the situation sought to be alleviated by the bill before us was exactly what Lincoln was talking about. And if the Rail Splitter was in the White House today he would sign this bill just as we have it before us this afternoon.

And John Kennedy will sign it just as it is if we send it up to him. In our community, Mr. Chairman, we had a fine philanthropic woman who gave all her outworn and outmoded clothing to the poor. But she always cut the buttons off.

We do not ask you to be philanthropic here today. Just be fair. Give us this bill with all the buttons on.

Mr. ARENDS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 15 minutes.

Mr. MAHON. Mr. Chairman, reserving the right to object, I have an amendment at the desk.

Mr. HOFFMAN of Michigan. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Chair has noted the Members standing and will divide the time between them. It will amount to approximately 2 minutes each.

The gentleman from Illinois is recognized.

Mr. ARENDS. Mr. Chairman, I was very pleased to hear the gentleman from Missouri make the statement he did, because for a long time I have been wondering how we would get the farmer out of the nice squeeze he is in. What good does it do for the farmer if on one hand we raise his purchasing power but at almost the same time raise the price of the things he must buy? Possibly next week we are told, we will have before us the bill raising minimum wages to \$1.25 per hour. Every fact of the past proves that each time we increase wages we increase the cost of everything the farmer must

buy to efficiently operate his farm. How do we get him out of his difficulty by passing this bill now, and then almost immediately pass a wage bill raising minimum wages?

Mr. CANNON. The two bills go together.

Mr. ARENDS. Another thing I wish to mention. I am glad to hear the gentleman from Chicago [Mr. PUCINSKI], express his interest in the farm equipment manufacturer. I, too, am interested in such manufacturers, but how do you expect the farmer to buy more machinery when this bill gives him less acres to farm?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. ANDERSEN of Minnesota) there were—ayes 68, noes 91.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McINTIRE, of Maine: Page 5, line 12, after the word "amount", strike out the colon and insert a period and strike out the balance of line 12 and strike out lines 13, 14, 15, and 16 and on line 17 strike out "the Secretary; but in no event shall popcorn be planted on such diverted acreage."

Mr. McINTIRE. Mr. Chairman, this amendment would strike out what we in the committee understand as the breeding amendment, and also the amendment offered by the gentleman from Iowa [Mr. HOEVEN], which was approved.

I offer this amendment in order to get a clarification of the language at this point in the bill. I want to get an explanation, if I can, of the intent rather than the language which is here, because I think it needs to be tied down much closer. If the author of the amendment in the committee would give us some specific clarification I think it would help.

Mr. BREEDING. Mr. Chairman, the intent of this amendment in this legislation is to permit farmers to turn down the 50-percent cash payment on a 20-percent reduced acreage and allow him to grow a crop which is not supported, nonsurplus, and primarily not used for livestock feed. This amendment is primarily for irrigated land to permit those farmers to grow such crops as castor beans, safflower, and such crops which are not primarily used for livestock feed.

I would remind you that today we are importing around 80 percent of our castor oil needs. Castor oil today is used for many things other than what it was once used for.

Mr. Chairman, I further state that I have had many requests from my area and from other States, primarily the States of Nebraska and California, who are interested in growing a nonsurplus, nonsupported crop on this reduced acreage, and also would turn down the Federal payment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine [Mr. McINTIRE].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY of Illinois: Page 4 line 24, after the words "following new," strike out the word "subsection" and insert the word "subsections"; and page 7, line 9, at the end of subsection (c) (3) insert the following new subsection (d):

"FEED GRAIN DISPOSAL PROGRAM

"(d) Notwithstanding any other provision of law—

"(1) The Secretary shall formulate and carry out a surplus feed grain disposal program for each crop year beginning with the 1961, crop year for each of the following commodities: Corn, rye, barley, oats, and grain sorghums. Each such program shall afford producers, who agree not to plant that particular commodity, an opportunity to purchase from the Commodity Credit Corporation, at an attractive price, notwithstanding the provisions of section 407 of the Agricultural Act of 1949, as amended, the quantity of such commodity determined under section 4: *Provided*, That producers shall, at their option, have full opportunity to participate in either the special agricultural conservation program established pursuant to subsection (c) of this section, in the surplus feed grain disposal program established pursuant to this subsection (d), or in both such programs.

"CONTRACTS FOR PURCHASE OF COMMODITY SURPLUSES

"(2) (a) Each contract entered into under this subsection (d) shall require the producer, as a condition to the opportunity to purchase the commodity to which it applies, to—

"(1) refrain from seeding any acreage on his farm to the production of the commodity to which the contract applies;

"(2) withdraw from all agricultural production (including grazing) a specifically designated portion of the tillable acreage on his farm equal to the average acreage on his farm seeded to the production of the commodity to which the contract applies during the three crop years preceding the 1961 crop year;

"(3) devote to conserving crops, or allow to remain idle, an acreage of land on his farm which, after subtracting therefrom the acreage designated under paragraph (2) under all contracts entered into under this subsection (d), is not less than the acreage which he normally devoted only to conserving uses or allowed to remain idle;

"(4) comply with such terms and conditions as the Secretary determines are desirable to effectuate the purposes of this subsection (d) and to facilitate the practical administration of the feed grain disposal program;

"(5) forfeit all rights to benefits under the contract, and to refund to the United States all benefits (including sums derived from the sale of negotiable certificates) received under the contract if the Secretary determines that there has been a violation of the contract at any stage during the time such producer has control of the farm and that such a violation is of such a substantial nature as to warrant termination of the contract, except that section 107(d) of the Soil Bank Act shall apply to the termination of any contract under this subsection (d); and

"(6) forfeit such benefits and make such refunds to the United States of such benefits (including sums derived from the sale of negotiable certificates) received by him under the contract, as the Secretary may deem appropriate.

"(b) In carrying out the feed grain disposal program with respect to a particular commodity, the Secretary shall not enter into contracts in any crop year which will require the Commodity Credit Corporation to sell a quantity of such commodity greater than 30 per centum of the average production of that commodity in the United States during the last three crop years: *Provided*, That the Secretary may place maximum limitations on the percentage of total cropland which may be retired under this program if he finds that such a program is having an unduly disruptive effect on the economies of counties and local communities.

"(c) A producer may enter into more than one contract in a crop year under this subsection (d). Each commodity shall be covered by a separate contract. All Commodity Credit Corporation stocks of the commodities referred to in subsection (d) (1) shall be available for purchase under this Act, except that the Commodity Credit Corporation shall reserve from such sales a quantity of each commodity equal to 10 per centum of the quantity thereof in stock at the beginning of the marketing year. In the event the stocks of a commodity are insufficient to permit all producers of such commodity who wish to do so to enter into a contract under this subsection (d) with respect thereto, the Secretary shall provide by regulation for determining the producers to be given such contracts on a first come, first served basis.

"COMMODITY PURCHASERS

"(3) (a) The Secretary shall afford each producer who has entered into a contract under this subsection (d) an opportunity to purchase, at a price sufficiently below the cost of production to obtain full participation, after consideration of grade, condition, and local marketing factors, a quantity of the commodity to which the contract applies equal to the quantity thereof the Secretary determines is the average annual production of such commodity on the producer's farm for the two crop years preceding the 1961 crop year: *Provided*, That such price to producers shall not exceed one-third of the market price for any such commodities at Chicago, Illinois, on October 1 of the year in which the producer entered into a contract pursuant to the provisions of this subsection (d).

"(b) Sales under this subsection (d) shall be accomplished through the sale of negotiable certificates which the Commodity Credit Corporation shall redeem in accordance with regulations prescribed by the Secretary in terms of the commodity to which the contract applies, upon presentation by the producer or by the holder in due course, except that such certificates shall not be redeemed prior to the beginning of the normal harvesting season for the commodity. Agricultural commodities delivered in redemption of such certificates shall not be eligible for tender to the Commodity Credit Corporation under the price support program.

"CERTIFICATE OF CLAIMANT

"(4) Sales shall be made to any producer for participating in the program established under this subsection (d) when the Secretary has ascertained that such producer has complied with the acreage reduction requirements of such program for such year. Sales authorized by this subsection (d) may be made upon the certificate of the claimant, in such form, as the Secretary may prescribe, that he has complied with all requirements for such payment and that

the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief.

"UTILIZATION OF LOCAL AND STATE COMMITTEES

"(5) In administering this subsection (d) in the continental United States, the Secretary shall utilize the services of local, county, and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act, as amended.

"UTILIZATION OF LAND USE CAPABILITY DATA

"(6) In administering this subsection (d) the Secretary shall utilize to the fullest practicable extent land use capability data, including capability surveys as developed by the Soil Conservation Service, and shall carry forward to completion as rapidly as possible the basic land inventory of the Nation.

"FINANCING

"(7)(a) The Secretary is authorized to utilize the facilities, services, authorities, the funds of the Commodity Credit Corporation in discharging his functions and responsibilities under this subsection (d), including payment of costs of administration for the programs authorized under this Act: *Provided*, That the Commodity Credit Corporation shall not make any expenditures for carrying out the purposes of this subsection (d) unless the Corporation has received funds to cover such expenditures from appropriations made to carry out the purposes of this subsection (d). There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this subsection (d), including such amounts as may be required to make payments to the Corporation for its actual costs incurred or to be incurred under this section.

"(b) All funds available for carrying out the purposes of this subsection (d) shall be available for transfer to such agencies of the Federal or State Governments as the Secretary may request to cooperate or assist in carrying out this subsection (d); and for technical assistance in formulating and carrying out the programs authorized by this subsection (d). The Secretary may make payments in advance of determination of performance.

"FINALITY OF DETERMINATIONS

"(8) The facts constituting the basis for any payment or compensation, or the amount thereof, authorized to be made under this subsection (d), when officially determined in conformity with applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government. In case any producer who is entitled to any payment or compensation dies, becomes incompetent, or disappears before receiving such payment or compensation, or is succeeded by another who renders or completes the required performance, the payment or compensation shall, without regard to any other provisions of law, be made as the Secretary may determine to be fair and reasonable in all the circumstances and so provide by regulations.

"PROTECTION OF TENANTS AND SHARECROPPERS

"(9) In the formulation and administration of programs under this subsection (d), the Secretary shall provide adequate safeguards to protect the interests and tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments or compensation under this subsection (d), and including such provision as may be necessary to prevent them from being forced off the farm. Applications to participate in any such program shall specify the basis on which the land-

lord, tenants, and sharecroppers are to share in such payments or compensation, and no contract under any such program shall be entered into unless such basis is approved by the county committee and incorporated into the contract. The standards prescribed by the Secretary for the guidance of county committees in determining whether any such basis shall be approved shall include the requirement that consideration be given to the respective contributions which would have been made by the landlord, tenants, and sharecroppers in the production of the crops which would have been produced on the acreage diverted from production under the contract and the basis on which they would have shared in such crops or the proceeds thereof.

"(10)(a) The Secretary may terminate any contract with a producer by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest.

"(b) The Secretary may agree to such modification of contracts previously entered into as he may determine to be desirable to carry out the purposes of this subsection (a) and to facilitate the practicable administration of the program.

"REGULATIONS

"(11) The Secretary shall prescribe such regulations as he determines necessary to carry out the provisions of this subsection (d).

"DEFINITIONS

"(12) For the purposes of this subsection (d)—

"(1) The term 'producer' means a person who produces a commodity referred to in subsection (d)(1) for sale or for feeding.

"(2) The term 'corn' means field corn.

"(3) The term 'tillable acres' means the acreage on the farm which has been devoted to the production of agricultural commodities during at least two of the preceding 5 years, but does not include any acreage withdrawn from production under programs authorized by the Soil Bank Act or the Soil Conservation and Domestic Allotment Act."

Mr. FINDLEY (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. FINDLEY].

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, debate has already demonstrated there are many differences of opinion on this bill. Democrats and Republicans alike find it filled with weakness and danger.

There is one thing on which we are all united, and indeed on which all America is united: We must get rid of the surplus commodity stocks, and do this without further delay. The Government-owned surplus is bad for the country, and bad for the farmer.

If we will examine this bill objectively, we will also agree that it will not get rid of the surplus, either with section 3 or without section 3. I would be surprised if it reduces surplus stocks at all. At best, it will but nibble at our gigantic \$3½ billion feed grain stockpile. Why?

Section 3 will drive down market prices. This threat will force the farmer to comply for the first 20-percent land retirement to get price support, but the same threat will scare him away from the second 20 percent, which is payment in kind. The small reduction in surplus stocks achieved by section 3 will be more than offset by the overproduction induced by the higher price supports provided in the bill. History proves that high supports cause high stockpiles.

Without section 3, there will be little compliance, because the best the farmer can hope to gain is less than a dollar an acre.

Without section 3, the bill will be expensive and ineffectual. With section 3 the bill will be expensive, ineffectual—and dangerous.

I propose that we strike out section 3, and accept the fact that the rest of the bill will be ineffectual. But by adopting my amendment, we will save the day, enact a workable, sensible, inexpensive program that will eliminate most of the feed grain surplus this year, and eliminate the rest of it next year.

I propose authority for the Secretary of Agriculture to sell back these surplus grains to producers, at an attractive price, in exchange for land retirements agreements. My proposal is positive, direct and completely in accord with our great traditions of free enterprise. Details of my amendment are at the desks.

My proposal will remove these giant surpluses and permit grain prices to rise with the law of supply and demand. It will remove this great roadblock to free enterprise in farming and marketing, this roadblock to farm prosperity. If we really want to get rid of the surplus, beginning this year, this is our chance.

The amendment which I offer does not skirt around the surplus problem, but meets it face to face. It will work.

Instead of requiring another huge outlay of cash, it will actually return cash to the Federal Treasury, something unusual in agricultural legislation. It will take the surplus grain out of the bins and put it to good use—consumption. The amendment is direct, positive and workable. It positively will remove the price-depressing surplus in a short time.

The amendment will save the oppressed American taxpayer a half million dollars a day in storage costs alone. It could set the pattern for successful legislation on wheat.

For 40 years, we have had farm legislation and talk of farm legislation and yet each day brings a new record of farm surplus commodities. This amendment gives us the opportunity to do something really constructive.

Mr. Chairman, agriculture is the oldest and one of the most important occupations of man. Originally, almost all civilized men were farmers, but as science progressed, fewer and fewer were needed to provide the essential raw materials of life, and more were released to provide other necessities and luxuries.

Today only 10 percent of Americans till the soil, and Americans—rural and urban—have the world's highest living standards.

Nations have quarreled and many battles have been fought over the rich agricultural lands. Statesmen have urged farmers to greater efforts, and these efforts on occasion have saved the Nation from defeat. American farmers have twice during this century responded magnificently to wartime need. They have received the grateful plaudits of the Nation.

From the beginning, agriculture has received the attention of those who sought to influence the farmer for personal gain. Many schemes to enrich or destroy the farmer have been tried. Only those schemes to destroy him have been notably successful.

Russia succeeded in destroying the farmer, as did China, and now Cuba is doing the same. A dictator cannot succeed where agriculture is free. It is to the glory of farmers that a free and independent agriculture is always the companion of democracy.

The immediate future is vital to the farmer because this Congress may decide whether he will be sold down the river of regimentation, or whether Congress will meet our farm problems with commonsense and high purpose and thus save the day for our children to enjoy the rich heritage of a prosperous, free, and expanding agriculture.

Agriculture is diverse and complicated. Like many other businesses, it is constantly changing. These facts create new problems for all farmers, especially those who lack the acreage or money to adapt to changing times. The problems are essentially economic and not political, but their very nature make them a good political football.

Some politicians lament the dwindling farm population, ignoring the fact that the ability of U.S. agriculture to release men from food production has made possible our rising standard of living. We would indeed have problems if all the boys born on farms had stayed there. The American farmer produces many varied crops, but none more precious than the young people he rears for leadership in other occupations.

There are those who say that we are losing the family farm. The truth is that most farming remains a family affair, and the farms which are the strongest and hence the best for the family are the ones large enough to make efficient use of modern machinery and techniques.

Actually, only half of the Illinois farms are large enough to qualify as family farms. The rest are too small to make efficient use of the full-time efforts of one man, much less a father-son combination. Schemes to bolster commodity prices artificially have not, and cannot, solve any long-range problems for the man on a too-small farm.

Many portray agriculture as hopelessly ill. The truth is that much of agriculture is strong and healthy. Political meddling over a quarter century has delayed rather than improved farm prosperity. Our experience demonstrates the fallacy of price fixing, higher supports, more controls, more public payrolls, more taxation, and more inflation.

Certainly, farm problems are many and varied, and many farmers have income problems that should be a matter of national concern.

How to solve them is the question. We have learned that high price supports without strict controls will not work. They produce surpluses which depress the market. In the cornbelt farmers have repeatedly rejected strict corn acreage controls. They have also rejected cross-compliance. Those who today advocate strict controls and higher price supports should take note of this fact.

Our experience with wheat shows that it is impractical to try to control production while at the same time assuring a profitable price for greater output.

Actually, the segments of U.S. agriculture not receiving so-called help from Government are healthier than the rest. In this group are cattle, hogs, fruit and vegetables. Hogs are a case in point. A year ago farmers effectively bolstered hog prices through self-help and without Government interference. Soybeans and oats are in good shape. This is because price supports for these commodities have been at levels which permit the market to operate.

There is considerable evidence that most of our present-day ills in agriculture can be laid at the door of the Federal Government.

Federal programs created today's price-depressing surpluses. Federal programs destroyed much of our cotton and wheat markets. Federal programs have built regimentation right into the soil. Fiscal irresponsibility has produced inflation, which is doubly brutal on the farmer because surpluses keep many of the things he sells from following the inflationary spiral.

The answers to our farm problems are not to be found in more surpluses, more destroyed markets, more inflation and less freedom of choice. Let us not consign the farmer to socialism just because Government has temporarily gummed up the works. There is a better way. It is the time-tested way of free enterprise. The marketplace, not regimentation, offers fair prices, expanding markets and opportunity. A big roadblock to farm progress is represented in surplus stocks.

We can, I believe, get the Government out of the grain business promptly and in a manner fair to the farmer and other taxpayers. The surplus in grain is what keeps us in the present unhappy condition. Instead of trying to manage bushels, acres, and farmers, we should restore opportunity and freedom to farming.

I would like to see legislation that would sell Government surplus grain back to the grain producers, and this is embodied in my amendment. Here is how it would work:

A disposal program would be set up for each crop year, beginning in 1961, for each of these commodities owned by the Commodity Credit Corporation: Corn, rye, barley, oats, and grain sorghums.

Each program shall provide producers an opportunity to buy from CCC, at an attractive price, a quantity of that commodity equal to the producer's 3-year average production of that commodity. In exchange the producer shall agree not to produce any of that commodity during that 1 crop year and to lay idle acreage sufficient to produce a like amount of the commodity. This idle acreage must be in addition to acreage he normally would leave idle or fallow.

Each program is voluntary—first come, first served.

Before planting time contracts will be negotiated between producers and the Secretary of Agriculture, setting forth acreage retirement details, specifying prices for various grades, and location of CCC grain subject to the contract. Certificates will be issued at harvesttime under these contracts, and these certificates may either be sold or used to claim the commodities at place of storage.

Prices to be established by the Secretary sufficiently below the cost of production to obtain full participation, with consideration given to grade, condition of grain and local factors.

A producer may enter into more than one contract in a crop year under this act. All Commodity Credit Corporation stocks mentioned shall be available for purchase under this act, except for a 10-percent cushion against error and shrinkage.

The Secretary of Agriculture shall not contract to sell in any one year a quantity of any commodity greater than 30 percent of the U.S. 3-year-average production of that commodity. This would minimize adverse effects of this program on industries and services supporting agriculture.

This would remove the price-depressing corn surplus in 2 or 3 years, convert it into cash, reduce the Federal debt, stop the terrific storage cost, reduce the number of Federal employees, and help free agriculture from Government bondage. This would not increase the supply of corn on the market and consequently would not adversely affect livestock prices.

The same procedure could be followed to eliminate wheat, although several growing seasons would be required.

We can keep our freedom in farming and other occupations only by accepting the individual responsibilities which must go with it. The amendment I have presented here provides a way to restore freedom and opportunity to one of the most honored and respected men, the American farmer.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN of Michigan: On page 7 strike out lines 1 to 9, inclusive:

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, subsection (3) on page 7 provides that the Secretary may incur obligations to the amount of \$500 million. It also provides that he may issue negotiable securities unlimited to carry out the provisions of the bill. Permit me to read the paragraph:

"(3) Obligations under such program may be incurred in advance of appropriations therefor (i) for payments in cash in an amount not exceeding \$500,000,000, and (ii) for payments in kind for diversion of acreage, within such limits as the Secretary may require. Payments in kind shall be made through the issuance of negotiable certificates redeemable for feed grains by the Commodity Credit Corporation in accordance with regulations prescribed by the Secretary."

Last Tuesday I was criticized, and justly so, because I opposed an appropriation but had not opposed the authorization.

What we are doing here is again by-passing the Committee on Appropriations by authorizing the Secretary of Agriculture to spend up to \$500 million and issue negotiable securities unlimited in amount.

If you think that procedure is fair to the taxpayer or to the Committee on Appropriations—and it must be assumed you do if you reject this amendment—there isn't anything I can do to prevent the appropriation of \$500 million, without a word of testimony justifying the expenditure, the necessity for which would ordinarily be passed upon by the Committee on Appropriations.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAHON of Texas: On page 5, line 12, after the colon, insert the following:

"Provided, That no feed grain producer covered by this Act, who participated in choice B of section 102 of the Agricultural Adjustment Act of 1958 cotton allotment program either in 1959 or 1960, or both years, shall receive a lesser feed grain planted acreage history than he would have received had he not participated in the choice B cotton production program."

Mr. MAHON. Mr. Chairman, I have discussed this amendment extensively with the members of the Committee on Agriculture on both sides of the aisle, hoping to secure their support. Without the support of committee members, I realize the amendment will not be adopted.

It is more or less in the form of a perfecting amendment. I hope the members of the committee will be willing to take it to conference for further study. In fairness and justice the amendment by all means should be adopted. Without my amendment many cotton farmers who are also feed grain farmers will be discriminated against.

In the Agricultural Adjustment Act of 1958 farmers were encouraged to cooperate with the Government on a lower support loan for cotton and they took 15 parity points less by way of a loan than other producers, taking the reduction in support in return for an increase in allotments. This feature of the law was passed for the purpose of moving cotton in trade channels and not into the Government loan. Six-and-one-half percent of the cotton producers did this last year. That is, 6½ percent of them took a much lower support price in order to move their cotton in regular trade channels and get the reward of a 40-percent increase in their cotton acreage allotments. Those who took this course were known in the law as choice B cotton farmers.

The Agricultural Adjustment Act of 1958 provided that while choice B farmers could get an additional allotment in return for reduced supports, the additional cotton acreage would not become a part of the cotton history of the farm. I quote the law:

The additional acreage authorized by this section shall not be taken into account in establishing future State, county, and farm acreage allotments.

As you will note, the law provided that choice B farmers got no credit on their history as a result of the additional acres planted to cotton. I simply provide in my amendment that while they get no credit for planting additional cotton acreage and trying to move the cotton into trade channels and not into the warehouses, they are not to be penalized.

The fact that they sold their cotton for a lesser price and moved it in trade should not operate against them at this time when we are considering new farm legislation.

I urge the adoption of my amendment. May I ask if the chairman, the gentleman from North Carolina [Mr. COOLEY], the gentleman from Texas [Mr. POAGE], and the gentleman from Iowa [Mr. HOEVEN] would be willing to go along with this amendment as a perfecting amendment and take it to conference for further consideration and for the purpose of preventing discrimination against choice B farmers?

Mr. COOLEY. Let me observe that if the farmers accepted the program the gentleman referred to they profited by accepting that program.

Mr. MAHON. They took 15 parity points less for their cotton and moved it into trade channels.

Mr. COOLEY. They still profited, or else they would not have accepted the program.

Mr. MAHON. They did not know whether they would profit or not when they went into the choice B program. Please note the language of my amendment. It seems quite reasonable and fair. I would just like you to take this amendment to conference for further consideration.

Mr. COOLEY. Those farmers who accepted it got 40 percent more acreage than they otherwise would have gotten. I do not think they have been injured. I do not think they have any grievance. I do not want it to go out into this House

that we are using a grain bill here to reward the cotton farmers.

Mr. QUIE. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE of Minnesota to the amendment offered by Mr. MAHON of Texas: Add at the end thereof the following: "Provided further, That as a condition of eligibility for price support on the 1961 crop of cotton, producers of cotton shall participate in the special agricultural conservation program for 1961 for corn and grain sorghums to the extent prescribed by the Secretary."

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, I feel if we accept the amendment of the gentleman from Texas, we ought to have this further amendment which I have offered. I can see there are valid reasons for him suggesting his amendment. These men who took part in the grade B program in these other years have now only feed grain to turn to. But, I maintain, if they do turn to feed grains, they should then comply with this program that they do not have. But, here again is this voluntary program where their eligibility for price support on cotton shall be contingent on participating in the corn and grain sorghums program. These people who do not raise any corn or grain sorghums automatically comply and would receive price supports. But, just as the soybean farmers who raise corn or grain sorghums must comply with the corn and grain sorghums program in order to get price supports under this bill, it would also apply to cotton. I think it would be only fair if these people were brought in in this way.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota [Mr. QUIE].

Mr. Chairman, the gentleman from Minnesota has confused the situation. I believe the cotton farmers that the gentleman from Texas [Mr. MAHON] referred to were those who had taken a lesser support price in years past. The amendment offered by the gentleman from Minnesota would apply to more than 90 of all cotton farmers—only about 6 or 7 percent of the total number of cotton farmers participated in the B program. Ninety percent of all cotton farmers lived within their basic allotment. The amendment by the gentleman from Minnesota would apply to these people who are known as A growers as well as to the B growers. The gentleman from Texas [Mr. MAHON] developed a very sound difference between the man who had complied with his allotment and had drawn full support. He pointed out that the man who had taken a lesser support had probably planted a considerable lesser acreage in grain, and we know as a practical matter in that area he unquestionably planted a rather substantial acreage in B cotton which otherwise would have been in grain sorghums. There should be some consideration of that fact. I think that is a sound position. But, it is not a sound position to say that 90

percent of all cotton farmers who never received any benefit under the B cotton program should now have to be penalized because some other group of cotton farmers participated in a different program. I hope the committee will not see fit to impose a penalty on the great mass of small cotton farmers, and that is the group who did not become B farmers. The B farmers are largely the larger cotton farmers.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Texas.

Mr. MAHON. Six and one-half percent of the farmers went choice B and took a lesser rate and moved their cotton into the channels of trade. I can understand the objection to the amendment of the gentleman from Minnesota [Mr. QUIE], but would not my friend from Texas feel there is equity in the amendment I have offered?

Mr. POAGE. I am for the amendment offered by the gentleman from Texas. I am trying to explain that the gentleman from Texas drew a logical distinction, but I am trying also to suggest that the gentleman from Minnesota is proposing an unfair and an unreasonable proposition.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE] to the amendment offered by the gentleman from Texas [Mr. MAHON].

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. MAHON].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Iowa: On page 6, line 18, strike out the period and add: "and to give due consideration to tillable acreage, crop rotation practices, type of soil, and topography. Records secured in compliance with Section 329 of the Agricultural Adjustment Act of 1938 in previous years shall also be used where available and equitable."

Mr. SMITH of Iowa. Mr. Chairman, the subject matter of this amendment has been thoroughly discussed. It goes to the same subject matter as that contained in the Arends amendment. My amendment adds clarifying language.

Mr. HOEVEN. Mr. Chairman, the gentleman was kind enough to show me his amendment. Although I preferred the original Arends amendment I think this amendment has considerable merit and, as far as I am concerned, I am willing to accept it.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield.

Mr. COOLEY. Mr. Chairman, I am also familiar with the amendment. I accept it.

Mr. SMITH of Iowa. I thank the gentleman and yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

The CHAIRMAN. The gentleman from Minnesota [Mr. NELSEN] is recognized.

Mr. NELSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NELSEN: Page 6, line 1, after the word "cash", insert the words ", or at the option of the producer, in kind."

Mr. NELSEN. Mr. Chairman, the purpose of this amendment is to make available to the dairy farmer in my district and all parts of the country payment-in-kind if he chooses to use it. In other words, this sort of meets the point made by the gentleman from Minnesota, [Mr. ANDERSEN], and it seems to me this would be an incentive to get land retired, giving the farmer the option to take feed if he wants it on the first 20 percent, or if he chooses not to do it the original provisions of the bill will prevail. I would like to offer this amendment to the bill and, incidentally, I have another amendment, Mr. Chairman. Of course, my time is limited to 2 minutes, is it not?

The CHAIRMAN. It is.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield.

Mr. POAGE. I think the gentleman has a splendid idea in his amendment, but I do not think it would work. The bill gives the Secretary the option of making payments of the first 20 percent either in cash or in kind. We must give him that option, and we voted to give it to him. You cannot also let the farmer have an option on the same matter.

I think there is no question but what the Secretary will give any farmer payment-in-kind if he wants it, and I will say that I think he probably should do it unless there is some outstanding reason of national interest why he should not.

Mr. NELSEN. I thank the gentleman, and I am willing to withdraw it, but I want the Record to show just what our interpretation of this matter is.

Mr. Chairman, I withdraw the amendment.

The CHAIRMAN. Without objection the gentleman from Minnesota may withdraw his amendment.

There was no objection.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield.

Mr. HOEVEN. I understand the gentleman has another amendment.

Mr. NELSEN. I have.

Mr. HOEVEN. Mr. Chairman, I ask unanimous consent that the time allotted to me may be used by the gentleman from Minnesota.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. NELSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NELSEN: Page 6, line 18, after the word "production.", insert the following sentence: "The Secretary may make not to exceed 50 percentum of any payments to producers in advance of determination of performance."

Mr. NELSEN. Mr. Chairman, again, the purpose of this amendment is to encourage participation. I want this bill to work, and it is my hope that by some incentive discretionary with the Secretary that there could be some program advanced so that we would get the co-operation in acreage retirement we seek.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield.

Mr. COOLEY. While this amendment was not considered in the committee, I, for one, have no objection to it, and I know of no other member of the committee who will object.

Mr. NELSEN. I thank the gentleman.

Mr. COOLEY. I understand it is discretionary with the Secretary.

Mr. NELSEN. It is discretionary.

Mr. COOLEY. He may do this.

Mr. NELSEN. He may do it; it is not mandatory.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was agreed to.

The Clerk read as follows:

SEC. 3. Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized to sell any corn or grain sorghums during the marketing year for the 1961 crop of such grains at any price not less than 17 per centum below the 1961 support price for such grains.

Mr. COOLEY. Mr. Chairman, section 3 is well understood. It has been debated and discussed here for 2 days. Therefore, Mr. Chairman, I ask unanimous consent that all debate on section 3 and all amendments thereto close at 4:30.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. McSWEEN].

Mr. McSWEEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by the gentleman from Louisiana [Mr. McSWEEN]. On page 7, line 10, strike out lines 10 through 14.

(Mr. McSWEEN asked and was given permission to revise and extend his remarks.)

Mr. McSWEEN. Mr. Chairman, the purpose of this amendment is to strike section 3. In the language of the gentleman from Missouri [Mr. CANNON] the purpose of this amendment is not to cut off the buttons, but to clean up the dress. I hope the bill passes regardless of whether we clean it up or not.

The real question at issue is whether this section is necessary for compliance. I have heard a great deal said that it is necessary for compliance.

Briefly in the time I have I would like to review the legislative history. This bill really has its genesis in the report of the task force. The task force provided

for a support price of \$1.30, it provided for land retirement of 25 percent, it provided for a freeze in these CCC stocks. Dr. Cochrane told us that this task force report would provide for compliance.

Subsequently the Secretary has put in this bill the request to sell these surplus stocks. Our committee has limited the request of the Secretary. It is actually taking the teeth out of his proposal.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

By unanimous consent, Mr. MICHEL and Mr. ANDERSEN of Minnesota yielded their time to Mr. MCSWEEN.

Mr. MCSWEEN. Mr. Chairman, the Committee on Agriculture has limited this request of the Secretary first of all by limiting his authority to sell these surplus stocks in the period beginning in the marketing season of 1961. Secondly, it limited this authority to sell at not less than 17 percent below the support price. So, frankly, this authority in section 3 is not going to be helpful to compliance. The only thing that section 3 will do is that it will enable this bill to allow the CCC to act as a conduit through which all producers will sell their grain for \$1.20 and buy it back, those who wish to do so, at \$1.

That is the only thing this will do. If anyone is interested in complying with this bill—and certainly it is necessary for the success of it—they will comply because of the payments program. So, I hope that we will strike this section and pass the bill.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. MCSWEEN. I yield to the gentleman from Mississippi.

Mr. COLMER. Will section 3 not also serve as a medium of establishing the market price of the grain when the Secretary sells it at 17 cents below the support price?

Mr. MCSWEEN. I think the gentleman is correct, it would establish the market price. It would also diminish the value of the payment-in-kind program.

Mr. COLMER. It will also reduce the market, because that will then become the market price.

Mr. MCSWEEN. The gentleman is absolutely correct.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MCSWEEN. I yield to the gentleman from Iowa.

Mr. GROSS. Are not the support prices low enough now without giving the Secretary authority to go 17 below the already low support price?

Mr. MCSWEEN. I think the gentleman's point is well taken.

(Mr. MICHEL was given permission to extend his remarks at this point in the RECORD.)

Mr. MICHEL. Mr. Chairman, I rise in support of the gentleman's amendment to strike out section 3 of H.R. 4510, the so-called emergency feed grain bill.

This section would permit surplus corn and grain sorghum holdings to be sold as low as 17 percent below the 1961 support price.

To be perfectly frank I am very disappointed that the House Committee on

Agriculture did not see fit to take a little longer time in their deliberations and come up with a measure that not only singled out the corn farmer but took into account the entire farm problem, including wheat. Planting time is practically upon us out in the Corn Belt, and I see no reason for rushing into an emergency 1-year program that leaves so many loose ends. I would much rather see us legislating here for the long haul.

Sections 1 and 2 of this bill are by no means wholly acceptable to me, for I am one of those who feels that the sooner the Government gets out of agriculture altogether, the better off we are going to be; but I recognize that in this business of legislating for the entire country that some compromises must be entered into. There is some area of compromise, but I do not think it ought to be on a matter of basic principle; and the majority of farmers in my congressional district hold the view that we ought to be moving more in the direction of a freer agriculture rather than in the direction of more regimentation, Government control and redtape.

I was glad to note the other day that the Senate Agriculture Committee recognized the defects, which I shall point out, and eliminated section 3 from the Senate bill.

In the first place, section 3 would offset any benefits that are included in other provisions of the measure because it would increase rather than decrease Government costs, lower rather than raise the income of both farmers who comply and those who do not comply, and reduce rather than increase the incentive for producers to participate in the program, especially those who use their grains as feed rather than marketing them.

Furthermore, section 3 could ruin our competitive system of marketing grains by delegating to the Secretary of Agriculture certain harmful powers. First, it would allow the Government to push the market price far below the support level. Second, it would place the Government in the position of being the main buyer and seller of feed grains. Third, it would set up a ceiling on price supports rather than establishing a floor for prices.

Unsound and revolutionary precedents would be set if section 3 were adopted because under the present law most commodities—excepting cotton—cannot be sold again in domestic markets at less than 5 percent above the support price. This raises the question of what justification we might find for not permitting similar authority on other commodities if we allow the Secretary of Agriculture to sell sorghum grains and corn at a level below the support price.

My principal reason for opposing section 3 is that it would constitute an unwarranted delegation of power and would, of course, establish a dangerous precedent for other commodities. I feel that this provision would not only be wholly ineffective, but also would impart perilous concepts to our present and healthy competitive marketing system.

Section 3 also cuts down the value of certificates issued for payments in kind. Thus, if the Commodity Credit Corpora-

tion does artificially hold the price below the support level, farmers would, for all practical purposes, be receiving at least 20 cents a bushel less for their corn payment-in-kind certificates than they would if we were to delete section 3.

If section 3 is left in the bill, the Commodity Credit Corporation will be the principal holder of corn and grain sorghum production in 1961. We might just as well do away with the boards of trade altogether. Why? Because the market price could be established at 17 percent below the 1961 support price and farmers who complied with the program would quite naturally sell their corn and grain sorghums directly to the Federal Government. Why shouldn't they? The Government will assure them a price of \$1.20 while the going market price may be at a dollar. In fact, this forces the farmer to do business with the Government rather than with private enterprise. He has no other alternative. I cannot help but get the feeling that by this action we intend to beat the corn farmer down to his knees and force him to submit to Government edict.

If, perchance, a reduction in costs is possible by virtue of the other provisions of this bill, any reductions would be more than offset if 70-percent compliance is achieved—a level advocated by administration spokesmen—because of increased costs the Commodity Credit Corporation would have to bear on the handling, transportation, and interest charges involving 3 billion bushels of corn.

And finally, Mr. Chairman, section 3 would definitely not achieve the results intended because it will not bring about compliance. It offers no assurance that prices will be low for deficit feed areas, and it would authorize a reversal of the policy of protecting our market prices. This latter situation would prevail because originally the proposal provided for freezing existing CCC stocks except for the operation of a payment-in-kind program.

And in summation, Mr. Chairman, I want to say again that the commodity causing us the most trouble, as far as surplus is concerned, is wheat; and while we can do nothing about it for the calendar year 1961, I see no reason why we should go at this thing piecemeal and single out the corn farmer as we do in this measure. There is no question in my mind that all segments of agriculture must cooperate in our efforts to reduce production in line with consumption, but "What is sauce for the goose is sauce for the gander"; and no one basic commodity ought to be singled out for such discriminatory action. We in the Corn Belt will take our percentage of reduction if it is part and parcel of a nationwide program affecting all commodities. This will take a little time to work out in the committee and if we are unsuccessful in at least deleting this obnoxious section 3, then we ought certainly to recommit the bill to the committee and work out a long-range program rather than resorting to this piecemeal, stop-gap, temporary legislation. We need a long-range program, and I believe we ought to take time to work it out this year to take effect in the year 1962.

(Mr. ANDERSEN of Minnesota, asked and was given permission to extend his remarks at this point in RECORD.)

Mr. ANDERSEN of Minnesota. Mr. Chairman, I am opposed to section 3 of H.R. 4510 which provides: "Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized to sell any corn or grain sorghums during the marketing year for the 1961 crop of such grains at any price not less than 17 percent below the 1961 support price for such grains."

This provision gives to the Secretary of Agriculture the authority to ruin our competitive market system by selling quantities of CCC grains sufficient to depress the market at any time. Such action by the Secretary would lower prices received by farmers at a time when we should be striving to raise prices for farm commodities. I am aware of the real purpose of this section, which is to prevent the noncooperator from receiving a windfall in the marketplace at the expense of the cooperator. However, if the authority contained in this section were to be used by the Secretary to depress the market price, it would hurt the cooperator also, by lowering the value of his payment-in-kind certificate.

It is my opinion that section 3 would not provide an incentive to participate in the program, and since it is not only ineffective but unprecedented and dangerous, it constitutes a threat to a bill which contains many desirable features.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. BROMWELL].

(Mr. BROMWELL asked and was given permission to yield the time allotted to him to the gentleman from Iowa [Mr. HOEVEN].)

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. SANTANGELO].

(Mr. SANTANGELO asked and was given permission to revise and extend his remarks.)

Mr. SANTANGELO. Mr. Chairman, I oppose this amendment and support the bill with section 3 in it. I know what might happen to the American economy if we adopt this amendment. You gentlemen who come from Iowa and Illinois, where I visited as a member of the subcommittee on appropriations for the Department of Agriculture, should tell the House how your bins are loaded and how you are giving out money to store these surpluses, 2 years ago to the tune of \$700 million and last year \$935 million, if we keep these price supports of \$1.06, and this bill is defeated, your storage costs, will rise to \$1.3 billion. I do not think you gentlemen want to eliminate this storage of surplus corn. I do not think you want to give the American people a chance to get a low price by permitting the Secretary of Agriculture to sell surplus corn which is coming out of the bins and out of our ears. You are getting a great deal of help in this bill, and if you take out this section 3, you are going to permit a rise in food prices. This section is a stabilizer. Section 3 will compel the farmer to comply in order to get in the price support program; to take your acreage and

put it in retirement and thus reduce the production of corn. You want a farm program, but you do not want to give the consumer the protection that this section 3 provides. Look at your storage bins in Iowa and Illinois. Tell the people what is happening in those sections. I trust that this amendment fails.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. NELSEN].

Mr. NELSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. NELSEN. I have an amendment for a new section 4. Does the limitation on debate apply to section 3 only or to the entire bill?

The CHAIRMAN. The limitation applies only to section 3 and would not apply to the gentleman's amendment.

Mr. NELSEN. Mr. Chairman, speaking on section 3, I would like to make this observation. I have a letter in my pocket that I received from a creamery operator in my district calling attention to the fact that increasing supports of dairy products would again encourage a greater number of people getting into the dairy business and thereby creating again a surplus that would go into storage. We then find in this bill that actually the market price of grain would be 62 percent of parity, of full parity. There is no farmer with fixed costs that can compete with a price on grain of 62 percent of parity; with a pegged high price on the dairy farmers and with a pegged low price in the marketing of grain. The speculator moves in and I am out of business on my farm. I would like to have the Members think about that. That is what section 3 would do under the bill, and our competitive market would be eliminated under the provisions of this bill. I do not believe it will do what some of the gentlemen on the other side of the aisle seem to believe it would do. I say that conscientiously and in the most friendly way. I believe it would be a mistake to leave section 3 in the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. JENNINGS].

(Mr. JENNINGS asked and was given permission to revise and extend his remarks.)

Mr. JENNINGS. Mr. Chairman, section 3 is the real crux of this bill. In order to get it in focus I think we should first look at the situation we have today. Of course, some people would like to have their cake and eat it too. Today the corn farmers have unlimited production at 65 percent of parity, a guarantee of \$1.06 a bushel. They have filled up the bins. They have run the storage costs up and it is evident here that some producers hate to give up this bonanza. It is a real boondoggle.

Now, what happens if this bill passes? We raise support prices to the complier to \$1.20 a bushel, but we also say to the noncomplier, we are not going to hold this umbrella over you; we shall not disturb the present market price of \$1 a bushel for corn, but we will give to

the Secretary of Agriculture the power to prevent noncompliers from profiting from a higher market price that might be created by their neighbors joining in this program to curb production and reduce our staggering surpluses. We would enable the Secretary to say to these noncompliers: You cannot have your cake and eat it too.

Under this section—and this is the real essence of it—the Secretary may encourage cooperation in this surplus-reducing program by selling some of these Government grain stocks at not less than 17 percent below the support price, but below a price which is being raised to \$1.20.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. THOMSON].

(Mr. THOMSON of Wisconsin asked and was given permission to yield his time to Mr. HOEVEN.)

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. LANGEN].

Mr. LANGEN. Mr. Chairman, I rise in support of the amendment and in support of the bill, without section 3. I do so for two specific reasons. First of all, it seems rather ridiculous that in a measure in which we talk about increasing farm income we are going to provide authority to the Secretary to reduce the market price. It just does not make sense.

Second, I think it is unnecessary, for one thing has been completely forgotten, and that is the volume of feed grains that were sealed under the Commodity Credit program of the 1960 crop. Remember that this crop in the hands of the farm people today is in the position of moving into the market just as soon as that market gets above the present support price. And that has always been the experience in past years. In 15 years in administration of the farm program I have experienced that a good many times. There would be a volume of this that would move into the market. I think it is completely unnecessary that we authorize the Secretary through a provision which would permit him to lower the market price when in reality we are thinking of trying to improve the farmer's income. Therefore, section 3 means less farm income and increased cost to CCC, the exact opposite of what we are attempting to do by this bill.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, there are many things about section 3 which should be remembered, but I simply want to talk about this one thing. This bill does not allow the Secretary of Agriculture to break the market for anybody. It allows the Secretary of Agriculture to maintain the market right where it is. The committee carefully figured \$1 was the present price of corn in the United States, and 17 percent below the new support price of \$1.20 is \$1. So we provided that you cannot take anything away even from the noncooperator. We simply say, "Mr. Noncooperator, you are not contributing anything to getting a higher price for anybody."

Why should you have a higher price when you are contributing to the surpluses?" And we say to the cooperator, on the other hand, "Since you are helping the U.S. Government reduce its overall cost year by year we are going to help you; we are going to make it profitable for you to cooperate with this program. We are going to support you at \$1.20, and we are going to pay you for the land you take out."

We say to the noncooperator, "We are going to leave you right where you are. If you want free enterprise you can have it. You can plant every acre of your land in corn or grain sorghum. If you do, we will not interfere with you getting just as much as you are getting today. But we are going to see to it that you are not going to get anything more."

That is what this section 3 does. It does not give the Secretary the authority to break the price of any grain below what it is right now.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

(Mr. KYL asked and was given permission to yield the time allotted to him to Mr. QUIE.)

Mr. QUIE. Mr. Chairman, it has been stated many times that if section 3 is left in the bill the amount of grain in storage will be decreased. I should like to read to you from the remarks of the gentleman from Texas [Mr. POAGE] on yesterday when he said:

Of course, it is true, as has been said, that every bushel of compliance grain is going into the Government loan just so long as there is noncompliance grain on the market.

Do not forget that every bit of the surplus grain presently in Government storage will be available for the market if we let section 3 stay in the bill. There is a 6-month supply of corn in the Commodity Credit Corporation stocks and about a year and a half's supply of grain sorghums. That means there will be plenty of it, and every bit of compliance grain will go into the Government storage bins. The storage people will be in business. The merchandisers, the country elevators on up, will be out of business.

If we leave this in, it will be contrary to the purposes of the act. What this section of the bill will do is lower the farmers' income, because the "in-kind" would be worth less and the farmer would be receiving less. It would also prevent the payment in kind from being at big an incentive to take land out of production. Remember that 70 percent of the corn or more is fed right back on the farm to livestock, so the only incentive to those people is the land rental payment. By leaving section 3 in you are removing part of that incentive. You are going contrary to what we are striving to do in this bill.

Let me quote what Samuel Lubell has said in today's Washington News:

GRAIN SURPLUSES KEEP RISING, FARMERS SAY
(By Samuel Lubell)

DES MOINES, March 9.—President Kennedy's emergency farm program is not likely

to halt the continued piling up of additional grain surpluses.

This is the feeling voiced by most farmers interviewed in the last 2 weeks in 11 typical corn belt counties stretching from Indiana to northern Kansas.

A remarkably sharp difference emerged in the likely participation in the Kennedy program between farmers who sell the corn they raise and those who feed it to livestock.

Among cash grain farmers 7 out of 8 were ready to cut their acreage by 20 percent if the support price for corn is lifted to \$1.20 a bushel, as Mr. Kennedy has proposed.

TEN PERCENT

Among livestock growers, only 10 percent talked of "signing up" for a new acreage-reduction effort.

But even among the grain farmers prepared to cut their acreage, the prevailing feeling is that the Kennedy program "lacks teeth" and "has so many loopholes" this year's production will leave a sizable surplus to be added to the already heavy carry-over from previous years.

One big hole in the farm control fence is the use of 1959 and 1960 as the base years for figuring acreage reduction. During those 2 years controls were lifted, bringing a record corn expansion.

In several counties farmers boasted, "I crowded out all the corn I could to have a fat base for the new control program."

HIGHER RATE

Every farmer I talked with I asked how much corn he planted in the last 2 years and what his 1955 allotment was. Some farmers couldn't remember the figures. Those who did, taken as a group, reported a 1959-60 acreage nearly 40 percent higher than 1955.

A cut of 20 percent from this base would leave these farmers with nearly 20 percent more acreage than 4 years ago, when a sizable surplus was produced that had to go into storage.

In short, even with allowance for increased corn consumption, the Kennedy program doesn't promise to be any more effective than were Ezra Benson's efforts to control the surplus.

Significantly, except for a few 80-acre croppers, none of the farmers interviewed protested that a 20-percent acreage cut would be too drastic or would upset their farm operations.

PROTESTS

Particularly in Iowa, many protests are voiced against using the 1959-60 acreage as a base for this year's reductions.

"The farmers who increased corn production these last years caused the surplus," runs the complaint. "Why reward them and penalize those who didn't overplant?"

Other farmers are simply reporting jacked-up corn acreage claims for their own farms. These false claims seem to be accepted by the county adjustment committees without a check.

Section 3 is also a terrible precedent to allow the Secretary of Agriculture to have this power to depress prices, to knock them down, when all the time in the past we have been trying to strengthen farmers' prices. It would be contrary to what we have done on other commodities. Look at dairy products. The previous administration had to increase the resale price on dairy products to 13 percentage points above the support level in order to permit the competitive market to function. Beginning this year cotton resale price will be 15 percent above the support level.

The gentleman from Wisconsin [Mr. LAIRD] quoted from the Wisconsin Farmers Union 1961 action program:

We are opposed to the sale of Government-owned agricultural commodities on the market for less than market price plus 5 percent and carrying charges. We believe in rotating the commodities in storage, especially perishable commodities, with new crops or produce to avoid deterioration, but the commodities so marketed should be replaced with an amount equal to that taken out so as not to add to the amount normally marketed.

That is the direction we should go. That is the approach I have taken in my bill H.R. 1075.

Section 3 of this bill goes in the direct opposite direction and is wrong.

Section 3 should be deleted because it delegates unwarranted and unneeded authority to the Secretary of Agriculture; it depresses the value of payment-in-kind certificates; it decreases the effectiveness of payment-in-kind program; it reduces the income of both compliers and noncompliers; it makes the Government the marketing agency for a major portion of our feed grains; it reverses present agricultural policy, which is to protect market prices rather than endanger them; and it acts as an ineffective instrument to force compliance while setting a very undesirable precedent. The adoption of section 3 could easily be the first step toward destroying our competitive market system while replacing it with a system whereby the Government sets the farmer's price, controls his production, and markets his produce.

If section 3 is stricken, I will vote for the bill. If it is not I will vote against it.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, we are about to come to the end of the debate. It has been the most interesting and most informative debate we have had on a piece of farm legislation in a long time. The members of the Committee on Agriculture want to express to the members of the Committee of the Whole and to the House our appreciation for the fine attention you have given us for the last 2 or 3 days.

This is a complex piece of legislation. It has been difficult for some of you to understand. I can assure you, however, that by its enactment we will have taken a very important step toward solving an increasingly disastrous situation in agriculture. It will definitely reduce the tremendous surplus that exists in the feed-grain area and also reduce the high storage costs with which the taxpayers are now burdened.

In the last 12 years we have had difficult situations in agriculture. We spent 4 years fueling over programs and proposals of Secretary Brannan and then we spent 8 years doing the same over the programs of Secretary Benson. Actually there was more cussing of these two Secretaries of Agriculture than there was real work on farm legislation. I hope we can all begin anew, that we can and will lay aside our partisanship and move forward with new programs for agriculture. We have the opportunity to make a good start here today, first, by voting down the pending amendment and, then by voting to pass the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, the elimination of section 3 will be harmful to the farmers. The retention of section 3 will not depress the price to the farmers. Furthermore, the provisions of section 3 constitute the only part of the bill that has some regard for the consumers of America.

Mr. Chairman, I hope the amendment will be defeated.

Mr. Chairman, I ask unanimous consent that the remainder of my time be transferred to the gentleman from North Carolina [Mr. COOLEY].

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, I rise in support of the amendment to strike section 3. As pointed out in the separate minority views by my distinguished colleague from Minnesota [Mr. QUIE] and myself, we feel that enactment of section 3 would be most undesirable. The Senate Committee on Agriculture and Forestry apparently shares this view because the bill reported by that committee does not include the language of section 3. And may I state at this point that there would have been a number of other members of our House Committee on Agriculture who would have joined in expressing their minority views on section 3 had we not been up against a midnight deadline on filing the report.

Now just why is it that the grain trade, farm co-ops, farm groups, grain exchanges, farmers, and so many of us on both sides of the aisle oppose section 3? Personally, I feel our opposition is well founded on both philosophical and practical grounds.

First of all, this dangerous and unwarranted delegation of the power to intentionally destroy corn and sorghum markets represents a real threat to the continuation of a market economy for agriculture. This provided for an artificial depression of the market. Congress has for years recognized the inherent danger to the market in the accumulation of huge surpluses of farm commodities and has specifically provided by law that these surpluses could not be dumped back into the market at bargain-basement prices. The law has and does require that the Government shall not sell its surplus basic and storable nonbasic crops at less than 5 percent above the current support price, plus reasonable carrying charges. Section 3 of this bill allows the sale of corn and grain sorghum at 17 percent below the support price. Let me bring this down to specifics on our six basic farm crops:

Under present law, any surplus tobacco could not be sold for less than 94.5 percent of parity plus reasonable carrying charges; most cotton cannot be sold for less than 94.3 percent of parity, plus reasonable carrying charges; peanuts, rice, and wheat cannot be sold for less than 78.75 percent of parity plus reason-

able carrying charges; but corn under section 3 could be sold for 61.7 percent of parity with no carrying charges added. What we do to corn today may be done for other crops tomorrow if the undesirable precedent involved in section 3 is adopted.

In addition to the obvious evils of the Government controlling and depressing market prices, handling most of the 1961 crops of corn and sorghum, and embracing an unsound economic doctrine, there are some real and practical reasons why section 3, as written, simply will not do the job intended by its sponsors.

As you can see by the original language of section 3 of H.R. 4510, the administration first asked for complete authority to sell at whatever the market price might be or, more accurately, whatever the Secretary decided it should be. When Secretary Freeman appeared before our committee he proposed an amendment which had the effect of setting the CCC sale price for corn at not less than \$1.05 per bushel. The committee, after some discussion, set it at \$1 a bushel and expressed it in terms of a percentage of the assumed support price of \$1.20 per bushel. In other words, 17 percent below \$1.20 is \$1. While this limitation on the Secretary's original request for unlimited authority was a short step in the right direction, it still retained the bad principle. Moreover, to its sponsors, it has made section 3 ineffective and as now written it just will not do the job originally intended.

The purpose of section 3 was and is twofold. The first is to encourage greater participation in the program. The second is to calm the fears of deficit feed areas that there would be sharp price increases in feed grains.

As now written, section 3 will not help to achieve greater participation. Most farmers who raise corn and sorghum feed these grains to animals, and the one thing that will attract them into the program is the land retirement feature. The market price or the support price is not of as pressing importance to the livestock feeder as it is to the cash grain man. The Department spokesmen recognized this when they recommended that payment rates be 60 percent in cash and 66⅔ percent in kind and that support be \$1.20 per bushel. They testified they wanted to get land retired and to shift production from corn to soybeans. In other words, the success or failure of this whole program hinges on the land retirement features. The relatively small spread between \$1.20 and \$1 will not affect participation by producers of 80 percent of the corn and sorghum in America. The history of the corn program from 1956 through 1958 tells us this. The spread in each of those years between compliance and noncompliance corn was from 5 cents to 10 cents greater than that proposed in section 3; yet in 1958 less than 14 percent of the corn produced was from farms in compliance with their acreage allotments for corn.

The second argument for section 3—to calm deficit feed areas—is not a bona fide one either. Members from these areas can feel "woody but not wed" by section 3. It is true the Secretary would

have the authority to artificially depress the market price by "bargain basement sales" from the warehouses of CCC, but that does not mean he will. In fact, if he were to do this—artificially hold down the market price—he could not possibly be able to fulfill his promise of improving the feed grain farmer's income by 12 percent. In fact, the value of the payment-in-kind certificates issued to compliers would even be reduced. It would depress farm income, and I can assure you that we from the Corn Belt would most vigorously protest such a policy.

In conclusion, then, let me again express my support of the amendment to strike section 3. It should be deleted because it delegates unwarranted and unneeded authority to the Secretary, it depresses the value of the payment-in-kind certificates, it decreases the effectiveness of the payment-in-kind program, it reduces the income of both compliers and noncompliers, it makes the Government the marketing agency for our major feed grains, and it is an ineffective vehicle for forcing compliance while setting a very undesirable precedent.

The CHAIRMAN. The gentleman from North Carolina is recognized.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the bill be amended on page 5, line 25, by striking out the date "1950" and inserting in lieu thereof "1960." It is a typographical error.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. COOLEY. I yield.

Mr. TABER. Under section 3, the way I read it the Secretary of the Commodity Credit Corporation could sell any corn or grain sorghums. The section does not limit his power to corn or grain sorghums belonging to the Commodity Credit Corporation. During the marketing year for the 1961 crop of such grains his power should be limited.

Mr. COOLEY. It provides that it cannot be sold below a dollar a bushel. Is that what the gentleman is talking about?

Mr. TABER. No. They can go into your barn and sell your corn under this provision.

Mr. COOLEY. No, they could not sell any individual's corn.

Mr. Chairman, let me just close this debate by saying that this is really the first time we have had a chance to take up this proposition of payment in kind. My recollection is that both great political parties had provisions in their platforms advocating payment in kind. This is a payment-in-kind program.

I said in the beginning of this debate and I want to say it in the ending of the debate that we are not dealing with anything that is politically partisan in any way. Speaking of the programs the gentleman from Iowa [Mr. HOEVEN] was screaming a moment ago about tobacco, cotton, peanuts, and other crops, we are not given any payments in kind to re-

duce our tobacco acreage or our cotton acreage, or our peanut acreage, and we have taken drastic reductions year after year and no payments have been made to us.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. McSWEEN].

Mr. McSWEEN. Mr. Chairman, on that I demand tellers.

Tellers were ordered and the Chair appointed as tellers, Mr. McSWEEN and Mr. GATHINGS.

The Committee divided, and the tellers reported that there were—ayes 132, noes 163.

So the amendment was rejected.

Mr. NELSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NELSEN: Page 7, line 14, after the word "grains," insert the following new section 4:

"SEC. 4. For the purposes of this Act, the term 'corn' shall mean field corn not including corn for silage."

Mr. COOLEY. If I could hear the amendment read again, perhaps I could accept it. I would like to have it read again.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk again reported the amendment.

Mr. COOLEY. Mr. Chairman, I have no objection personally to the amendment.

Mr. HOEVEN. Mr. Chairman, if the gentleman will yield, I have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. NELSEN].

The amendment was agreed to.

Mr. RANDALL. Mr. Chairman, H.R. 4510 should be passed without any portion of the bill being deleted. As we have heard many times it contains a provision authorizing the sale of corn and grain sorghums at a price not more than 17 percent below the 1961 support rate or about \$1. This provision makes it possible to sell Government-owned feed grain into the market as proposed by the Secretary of Agriculture. This is necessary to assure those producers who comply with a higher price than non-compliers.

A lot has been said about a referendum and that the farmers should be permitted to express his choice, and I quite fully agree as a general proposition and to be applied to future legislation. Right now, planning dates are rapidly approaching when there is no time to design a program to be submitted to a referendum. As I see it the gist of the matter is that a program must be enacted which will obtain a high degree of voluntary participation but which will not provide a price umbrella for the protection of noncooperators. Incentives exist for producers to take part in the program since they know at the time they sign up that the year's average market price will be below the support level. It seems to me it will obviously

be to the advantage of the farmer to take part in this voluntary program and the expected wide extent of participation will in turn make the program more effective by increasing the income for participating producers.

As I see it, this has many good effects because the expected high degree of participation will also decrease production and let the Government reduce its holdings of feed grain. To keep the market price below support levels will assure consumers of fair and stable prices for meat, poultry, and dairy products. A feed grain program which would not provide for sales of Government-owned grains at a price somewhere near the current market level but which would permit an increase in support rates would obtain only limited participation and with such limited participation much of a reduction in Government holdings would be unlikely.

We all know during recent years grain production has been greater than requirements and stocks have built up. Unless there is good participation it will be impossible to reduce production to make inroads in the carryover. There just must be a reduction in CCC inventories and a reduction in today's burdensome storage and carrying costs. To me this is the heart of the problem and it is the one which must first be attacked by a workable solution.

In summary then, to be effective legislation which provides higher supports must have provisions which will obtain a high degree of participation and if at all possible still have the following good results:

First. A reduction of stocks of grain;

Second. With the lessening of Government carrying charges; and

Third. Increase the income of those participating producers; but without affecting livestock and consumer prices.

There is a tremendous current inventory of feed grains—almost 2½ billion bushels, valued at \$4 billion—and unless these are reduced they will continue to be on hand at a disadvantage to the farmer, the consumer, and the taxpayer.

Let us enact a bill which will give the Secretary of Agriculture a chance.

Mr. PHILBIN. Mr. Speaker, this bill once again vividly illustrates the truly vexing, and up to this time, almost insoluble, nature of the agricultural problem.

Time and time again Congress has endeavored by various measures sponsored by several administrations for years past to attack and eliminate the huge surpluses of food and feed which have been piled up in our warehouses at huge cost of billions and billions of dollars, to the American taxpayers, and constituting a dark shadow over the market prices of basic commodities, disrupting normal production, distribution and marketing practices of necessities of life, and causing shameful waste and destruction of precious foodstuffs allowed to accumulate and rot while millions eek out a precarious existence below decent subsistence standards.

I have often deplored this maladjustment and this paradox, and I deplore it

all the more now, because the costly failures of the farm program do not present a pretty picture; they do present a new and solemn challenge which we must face now or else confess our inability to cope with a very basic economic problem deeply affecting national welfare and disparaging the efficacy of representative government.

It is well for us to consider that this great economy of ours will be no stronger than any of its parts, and that at a time of recession and substantial unemployment this Congress cannot disregard the need for keeping our unequalled free enterprise system strong, vigorous, and dynamic. To accomplish this end, we must recognize the interdependence of industry, agriculture, finance, labor and all the other segments of our productive organism.

When President Eisenhower came to office and presented his first agricultural bill to the Congress, while I had considerable misgivings about its possible effects on consumers and other purchasers of farm commodities, it was my feeling that his administration should be given a fair opportunity to try to work out the extremely complex and challenging farm commodity problem.

For that reason, as well as because I strongly feel that it is most essential for the Congress to give its attention at this time to bolstering and strengthening the general purchasing power of the Nation, it is my view that the present administration should be given the same opportunity as its predecessor to develop a constructive program to work out and solve the troublesome and difficult farm problem in all its widespread and disturbing ramifications.

I trust that in the administering of this bill, if it should pass, and any other measure aiming at farm commodity stabilization, it will be kept in mind by the administrators that of great importance is the safeguarding of consumer interest and the prevention of dangerous inflationary upward price movements.

I hope that a well-considered approach to the whole question of farm commodity surpluses now posing such vexations and costly problems for the Government and the American people will soon start to bring satisfactory solutions and suitable remedies.

Mr. WHARTON. Mr. Speaker, I do not know when I have heard such diversity of opinion as we have experienced on this so-called emergency farm bill.

In the beginning we were told that price supports would solve all problems. Then flexible supports were advanced as the final answer. Next came the soil bank and acreage reserve; but in spite of all these reducing formulas, our overweight patient has confounded his doctors with his unprecedented growth. So now a new doctor has been called in, and in this bill, he prescribes a dose of all the previous remedies at once. Additional transfusions are indicated to keep the monster alive, but millions of consumers are available for that purpose. Most of us as taxpayers are in that category.

Now, the dairy farmers of my district are also large grain consumers, and this

legislation is bound to increase their costs. These substantial people are fast diminishing and joining the ranks of the unemployed because there is little if any profit in the family farm any more. Someone has suggested an investigation, but they have already been investigated to death; and a little executive action, such as we hear so much about these days, is the only thing that will do them any good. No doubt this will require some constructive effort on the part of the Department of Agriculture, but abundant information is available down there in the Department, and the broadest legislative authority is already on the books. I asked the Secretary of Agriculture what he intended to do about it some 3 weeks ago, and I am still waiting to hear him say that he will even give it his serious consideration.

Frankly, I don't think that the present feed grain bill is a very bold approach to the farm problem, and the patience of the northeastern farmer is already wearing thin with the new frontier.

Mr. HECHLER. Mr. Speaker, I have very grave reservations about the pending legislation. I have listened carefully to the arguments for and against this bill and its many features, and sometimes it is difficult to separate out the facts from the salesmanship. All of us are good salesmen or we would not be here. Since we have successfully persuaded several hundred thousand people to buy our wares, we now turn the tables and go to work on our colleagues.

I cannot tell conclusively whether or not, in this uncertain world, this bill will mean a reduction of surpluses. I feel that it will probably be better, however, to give the Secretary of Agriculture the authority contained in section 3 in order to give him the necessary power to try and protect the consumer. Some contend that this bill will bring higher prices for the poultry producer and the dairy farmer. This I do not like, of course, because I have both poultry producers and dairy farmers in my district. I do not want to sound like a statesman because I would like to get reelected like the other fellows, and just as much as the other fellows, but perhaps there comes a time when one should think in terms beyond one's district or State.

Now I do not want anyone to think I am talking in high-sounding terms because the end of the world will not come if this bill is not passed, nor will the mellenium arrive if it is passed.

Why can I not vote 51 percent yes and 49 percent no, with a footnote that I have grave reservations? That is about the way I feel.

Perhaps the controlling factor is that President Kennedy states the need is urgent for this bill, and he and my party have the responsibility of governing the Nation. We should give them the tools to do the job. If the mess in agriculture gets worse as a result of this bill, and surpluses continue to mount, taxpayers get saddled with greatly mounting costs, farm income declines, my poultry and dairy people have to pay soaring prices, and the consumer gets it in the

end, then my party deserves to be criticized and these facts weighed along with the many other acts of this administration and this Congress in the elections ahead. Yes, we and our party must shoulder the responsibility for our actions, and the effect of our actions.

But let us not fuzz up and cloud the responsibility of the administration by refusing to grant it the necessary authority to act in what they deem to be the public interest. If we pass this bill, it may not cure everything its proponents claim it will cure, but it will at least help clarify responsibility. I am tired of playing "Button, button, who's got the button?" when it comes to agriculture. We ought to be able to come in and ask: "Who is in charge here?" and get a single answer instead of a babel of voices.

I am for giving President Kennedy and Secretary of Agriculture Orville Freeman a chance. If they fail, then everybody will know whom to call to account. But if they succeed, America will succeed, and we will all share in it. That is why I am voting "yes."

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. IKARD of Texas, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 4510) to provide a special program for feed grains for 1961, pursuant to House Resolution 208, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. MCINTIRE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MCINTIRE. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MCINTIRE moves to recommit the bill H.R. 4510 to the Committee on Agriculture with instructions to report the same back to the House forthwith with the following amendment: Strike out all of section 3.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

Mr. MCINTIRE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 196, nays 214, not voting 22, as follows:

[Roll No. 13]

YEAS—196

Adair	Findley	Morse
Alford	Fogarty	Mosher
Alger	Ford	Murray
Andersen, Minn.	Frelinghuysen	Nelsen
Anderson, Ill.	Fulton	Norblad
Arends	Garland	Nygaard
Ashbrook	Gavin	O'Konski
Auchincloss	Glenn	Osmer
Avery	Goodell	Ostertag
Ayers	Goodling	Pelly
Bailey	Griffin	Pillion
Baker	Gross	Pirnie
Baldwin	Gubser	Poff
Barry	Hagen, Calif.	Quie
Bass, N.H.	Haley	Ray
Bates	Hall	Reifel
Battin	Halleck	Rhodes, Ariz.
Becker	Halpern	Richman
Beckworth	Harrison, Wyo.	Robison
Beermann	Harsha	Rogers, Tex.
Bell	Harvey, Ind.	Roudebush
Bennett, Mich.	Harvey, Mich.	Rousselot
Berry	Hébert	Rutherford
Betts	Herlong	St. George
Bolton	Hiestand	Saylor
Bow	Hoeven	Schadeberg
Bray	Hoffman, Ill.	Schenck
Brewster	Hoffman, Mich.	Scherer
Bromwell	Horan	Schneebeli
Brooks, La.	Ikard	Schweiker
Broomfield	Johansen	Schwengel
Brown	Jonas	Scranton
Broyhill	Judd	Seely-Brown
Bruce	Kearns	Short
Burleson	Keith	Shriver
Byrnes, Wis.	Kilburn	Sibal
Cahill	King, N.Y.	Siler
Casey	Knox	Smith, Calif.
Cederberg	Kyl	Smith, Va.
Chamberlain	Laird	Springer
Chenoweth	Langen	Stafford
Chiperfield	Latta	Staggers
Church	Lindsay	Taber
Clancy	McCulloch	Teague, Calif.
Collier	McDonough	Teague, Tex.
Colmer	McIntire	Thompson, La.
Conte	McSweeney	Thomson, Wis.
Corbett	McVey	Tollefson
Cramer	MacGregor	Tuck
Cunningham	Mahon	Tupper
Curtin	Mailliard	Utt
Curtis, Mass.	Martin, Mass.	Van Pelt
Dague	Martin, Nebr.	Van Zandt
Davis,	Mason	Wallhauser
James C.	Mathias	Weaver
Derounian	May	Weis
Derwinski	Meader	Westland
Devine	Morrow	Whalley
Dole	Michel	Wharton
Dominick	Miller, N.Y.	Widnall
Dorn	Millikin	Williams
Downing	Minshall	Willis
Durno	Montoya	Wilson, Calif.
Dwyer	Moore	Wilson, Ind.
Ellsworth	Moorehead,	Younger
Fenton	Ohio	
	Morris	

NAYS—214

Abbitt	Coad	Forrester
Abernethy	Cohelan	Fountain
Addabbo	Cook	Frazier
Addonizio	Cooley	Friedel
Albert	Corman	Gallagher
Alexander	Daddario	Garmatz
Andrews	Daniels	Gary
Anfuso	Davis, John W.	Gathings
Ashley	Davis, Tenn.	Gialmo
Aspinall	Dawson	Gilbert
Baring	Delaney	Granahan
Bass, Tenn.	Dent	Grant
Bennett, Fla.	Denton	Gray
Blatnik	Dingell	Green, Oreg.
Boland	Donohue	Green, Pa.
Bolling	Dowdy	Griffiths
Bonner	Doyle	Hagan, Ga.
Boykin	Dulski	Hansen
Brademas	Edmondson	Harding
Breeding	Elliott	Hardy
Brooks, Tex.	Everett	Harris
Burke, Ky.	Evins	Harrison, Va.
Burke, Mass.	Farbstein	Hayes
Byrne, Pa.	Fascell	Healey
Cannon	Feighan	Hechler
Carey	Finnegan	Hemphill
Celler	Fisher	Henderson
Chelf	Flood	Holifield
Clark	Flynt	Holland

Holtzman	Miller, Clem	Rooney	Davis,	Johnson, Wis.	Philbin	Morse	Rutherford	Taber
Huddleston	Miller,	Roosevelt	James C.	Jones, Ala.	Pilcher	Mosher	St. George	Teague, Calif.
Hull	George P.	Rostenkowski	Davis, John W.	Jones, Mo.	Poage	Murray	St. Germain	Teague, Tex.
Ichord	Mills	Ryan	Davis, Tenn.	Karsten	Powell	Nelsen	Saylor	Thomson, Wis.
Inouye	Moeller	St. Germain	Dawson	Karth	Price	Norblad	Schadeberg	Tollefson
Jarman	Monagan	Santangelo	Delaney	Kastenmeier	Pucinski	Nygaard	Schenck	Tuck
Jennings	Moorhead, Pa.	Saund	Denton	Kee	Rains	O'Konski	Scherer	Tupper
Joelson	Morgan	Scott	Dingell	Keogh	Randall	Osmer	Schneebell	Utt
Johnson, Calif.	Moss	Selden	Dole	Kilday	Reuss	Ostertag	Schweiker	Vanlk
Johnson, Md.	Moulder	Shelley	Donohue	King, Calif.	Rhodes, Pa.	Pelly	Schwengel	Van Pelt
Johnson, Wis.	Multer	Sheppard	Doyle	King, Utah	Riley	Pike	Scranton	Van Zandt
Jones, Ala.	Murphy	Shipley	Edmondson	Kltchin	Rivers, Alaska	Pillion	Seely-Brown	Wallhauser
Jones, Mo.	Natcher	Slkes	Ellott	Kluczynski	Rivers, S.C.	Pirnie	Shipley	Wels
Karsten	Nix	Sisk	Everett	Kornegay	Roberts	Poff	Short	Westland
Karth	O'Brien, Ill.	Slack	Evins	Kowalski	Rodino	Qule	Shriver	Whalley
Kastenmeier	O'Brien, N.Y.	Smith, Iowa	Farbstein	Landrum	Rogers, Colo.	Ray	Sibal	Wharton
Kee	O'Hara, Ill.	Smilh, Miss	Fascell	Lane	Rogers, Tex.	Reifel	Siler	Wldnall
Kelly	O'Hara, Mich.	Spence	Finnegan	Langen	Rooney	Rhodes, Ariz.	Smith, Calif.	Williams
Keogh	Olsen	Stephens	Flood	Lankford	Roosevelt	Riehlman	Smilh, Va.	Wilson, Calif.
Kilday	O'Neill	Stratton	Flynt	Lennon	Rostenkowski	Robison	Springer	Willson, Ind.
King, Calif.	Passman	Stubblefield	Forrester	Libonati	Ryan	Rogers, Fla.	Stafford	Winstead
King, Utah	Patman	Sullivan	Fountain	Loser	Santangelo	Roudebush	Staggers	Younger
Kltchin	Perkins	Taylor	Frazier	McCormack	Saund	Roussetot	Stratton	
Kluczynski	Peterson	Thomas	Friedel	McDowell	Scott			
Kornegay	Pfost	Thompson, N.J.	Gallagher	McFall	Selden			
Kowalski	Philbin	Thompson, Tex.	Garmatz	McMillan	Shelley			
Landrum	Pike	Thornberry	Gathings	McSween	Sheppard			
Lane	Pilcher	Toll	Glaimo	Macdonald	Sikes			
Lankford	Poage	Trimble	Gilbert	Machrowicz	Sisk			
Lennon	Powell	Ullman	Granahan	Madden	Slack			
Libonati	Price	Vanlk	Grant	Magnuson	Smilh, Iowa			
Loser	Pucinski	Vinson	Gray	Mahon	Smith, Miss.			
McCormack	Rains	Walter	Green, Oreg.	Marshall	Spence			
McDowell	Randall	Watts	Green, Pa.	Matthews	Stephens			
McFall	Reuss	Whitener	Griffiths	Miller, Clem	Stubblefield			
McMillan	Rhodes, Pa.	Whitten	Hagan, Ga.	Miller,	Sullivan			
Macdonald	Riley	Wickersham	Hagen, Calif.	George P.	Taylor			
Machrowicz	Rivers, Alaska	Winstead	Hansen	Mills	Thomas			
Mack	Rivers, S.C.	Yates	Harding	Monagan	Thompson, La.			
Madden	Roberts	Young	Hardy	Moorhead, Pa.	Thompson, N.J.			
Magnuson	Rodino	Zablocki	Harris	Morgan	Thompson, Tex.			
Marshall	Rogers, Colo.	Zelenko	Hays	Moss	Thornberry			
Matthews	Rogers, Fla.		Healey	Moulder	Toll			
			Hébert	Multer	Trimble			
			Hechler	Murphy	Ullman			
			Hemphill	Natcher	Vinson			
			Henderson	Nix	Walter			
			Hollfield	O'Brien, Ill.	Watts			
			Holland	O'Brien, N.Y.	Weaver			
			Holtzman	O'Hara, Ill.	Whitener			
			Huddleston	O'Hara, Mich.	Whitten			
			Hull	Olsen	Wickersham			
			Ichord	O'Neill	Willis			
			Ikard	Passman	Yates			
			Inouye	Patman	Young			
			Jarman	Perkins	Zablocki			
			Jennings	Peterson	Zelenko			
			Johnson, Calif.	Pfost				

NOT VOTING—22

Ashmore	Dooley	Lipscomb
Barrett	Fallon	Morrison
Belcher	Fino	Rabaut
Blitch	Hosmer	Reece
Boggs	Jensen	Steed
Buckley	Kilgore	Wright
Curtis, Mo.	Kirwan	
Diggs	Lesinski	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Kilgore for, with Mr. Hosmer against.
Mr. Morrison for, with Mr. Rabaut against.
Mr. Lipscomb for, with Mr. Buckley against.
Mr. Belcher for, with Mr. Steed against.
Mr. Curtis of Missouri for, with Mr. Lesinski against.
Mr. Fino for, with Mr. Fallon against.
Mr. Dooley for, with Mr. Barrett against.
Mr. Reece for, with Mr. Ashmore against.

Until further notice:

Mr. Wright with Mr. Jensen.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. COOLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 209, nays 202, not voting 21, as follows:

[Roll No. 14]

YEAS—209

Abernethy	Bennett, Fla.	Cannon
Addabbo	Blatnik	Carey
Addonizio	Boggs	Celler
Albert	Boland	Chelf
Alexander	Bolling	Clark
Andersen,	Bonner	Coad
Minn.	Boykin	Cohelan
Andrews	Brademas	Colmer
Anfuso	Breeding	Cook
Ashley	Brooks, Tex.	Cooley
Aspinall	Burke, Ky.	Corman
Baring	Burke, Mass.	Daddario
Bass, Tenn.	Byrne, Pa.	Daniels

NAYS—202

Abblitt	Conte	Herlong
Adair	Corbett	Hiestand
Alford	Cramer	Hoeven
Alger	Cunningham	Hoffman, Ill.
Anderson, Ill.	Curtin	Hoffman, Mich.
Arends	Curtis, Mass.	Horan
Ashbrook	Dague	Joelson
Auchincloss	Dent	Johansen
Avery	Derounlan	Johnson, Md.
Ayres	Derwinski	Jonas
Bailey	Devine	Judd
Baker	Dominick	Kearns
Baldwin	Dorn	Keith
Barry	Dowdy	Kelly
Bass, N.H.	Downing	Kilburn
Bates	Dulski	King, N.Y.
Battin	Durno	Knox
Becker	Dwyer	Kyl
Beckworth	Ellsworth	Laird
Beermann	Feighan	Latta
Bell	Fenton	Lindsay
Bennett, Mich.	Findley	McCulloch
Berry	Fisher	McDonough
Betts	Fogarty	McIntire
Bolton	Ford	McVey
Bow	Frelinghuysen	MacGregor
Bray	Fulton	Mack
Brewster	Garland	Maillard
Bromwell	Gary	Martin, Mass.
Brooks, La.	Gavin	Martin, Nebr.
Broomfield	Glenn	Mason
Brown	Goodell	Mathias
Broyhill	Goodling	May
Bruce	Griffin	Meader
Burleson	Gross	Morrow
Byrnes, Wis.	Gubser	Michel
Cahill	Haley	Miller, N.Y.
Casey	Hall	Milliken
Cederberg	Halleck	Minshall
Chamberlain	Halpern	Moeller
Chenoweth	Harrison, Va.	Montoya
Chiperfield	Harrison, Wyo.	Moore
Church	Harsha	Moorehead,
Clancy	Harvey, Ind.	Ohio
Collier	Harvey, Mich.	Morris

NOT VOTING—21

Ashmore	Dooley	Lesinski
Barrett	Fallon	Lipscomb
Belcher	Fino	Morrison
Blitch	Hosmer	Rabaut
Buckley	Jensen	Reece
Curtis, Mo.	Kilgore	Steed
Diggs	Kirwan	Wright

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Buckley for, with Mr. Belcher against.
Mr. Barrett for, with Mr. Curtis of Missouri, against.
Mr. Morrison for, with Mr. Dooley against.
Mr. Fallon for, with Mr. Hosmer against.
Mr. Rabaut for, with Mr. Lipscomb against.
Mr. Steed for, with Mr. Fino against.
Mr. Lesinski for, with Mr. Reece against.
Mr. Ashmore for, with Mr. Kilgore against.

Until further notice:

Mr. Wright with Mr. Jensen.

Mr. AVERY, Mr. ELLSWORTH, Mr. KYL, and Mr. O'KONSKI changed their vote from "yea" to "nay."

Mr. ADDABBO, Mr. HAYS, and Mr. RHODES of Pennsylvania changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL PERMISSION TO EXTEND REMARKS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have permission to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

THE CONNALLY AMENDMENT

(Mr. ALFORD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ALFORD. Mr. Speaker, we are once again witnessing the annual drive of the leftwing element of this country to delete Senator Connally's six crucial words from the article of the United Nations Charter relative to the International Court of Justice, commonly known as the World Court. The words of the former chairman of the Senate Foreign

Relations Committee, Senator Tom Connally, of Texas, are:

As determined by the United States.

These crucial words appear in the language in the declaration by the United States on August 26, 1946, when our country accepted compulsory jurisdiction concerning the interpretation of the treaty, any question of international law, the existence of any fact and the nature or extent of a reparation. However, the Senate of that day provided that the declaration would not apply to "disputes with regard to matters which are essentially within the jurisdiction of the United States of America, as determined by the United States."

The World Court is the principal judicial organ of the United Nations and was created by the charter of the United Nations as noted in my previous remarks. Any action eliminating the Connally amendment would seriously impair the sovereignty of our country by vesting potential power over fully domestic matters in an essentially foreign tribunal.

Because of the importance and urgency of the situation, and in view of the drive to repeal the Connally amendment, started again with a pamphlet by Justice Douglas, I plead with all Members of the House to study an article entitled "The Connally Amendment" by Vincent F. DeCain, LL.B., Fordham, LL.M., NYU, an outstanding attorney, Mr. DeCain, a careful analyst, reviews the pros and cons of the much-discussed Connally amendment with all judicial calm; therefore, I believe it a service to the Members of Congress to include this excellent article in the body of the RECORD. The article appears in the March 11, 1961, issue of National Review and is as follows:

THE CONNALLY AMENDMENT

(By Vincent F. DeCain)

The Connally amendment, which will certainly come up for Senate action again this year, may well be the only bulwark between the integrity of the U.S. judicial system and the invasion of foreign power under the guise of the International Court. It is time to survey the Connally amendment in all its aspects: Its legislative history, the judges and operation of the International Court, law to be applied by that Court, reservations to jurisdiction, domestic jurisdiction and enforcement.

When the United States became a party of the charter of the United Nations on October 24, 1945, there was annexed to the charter a document entitled "The Statute of the International Court of Justice." This statute created the International Court as presently constituted. Under Article 36, jurisdiction of the Court comprises "all cases which the parties refer to it" but nations may also accept compulsory jurisdiction concerning the interpretation of a treaty, any question of international law, the existence of any fact, and the nature or extent of a reparation. A nation may accept compulsory jurisdiction by depositing a declaration of acceptance with the Secretary General of the United Nations. The United States did this on August 26, 1946, but its declaration provided, among other things, that the declaration would not apply to disputes with regard to matters which are essentially within the domestic jurisdiction of the United States of America "as determined by the United States."

The six words quoted constitute Senator Connally's amendment to the original declaration introduced by Senator WAYNE MORSE. It leaves solely to the United States the determination whether a matter before the Court is within the domestic jurisdiction of the United States. If the United States decides that it is, it can deny jurisdiction to the Court. The Senate adopted the amendment by a vote of 50 to 12.

JUDGES AND COURT OPERATION

Of the 15 judges of the Court, only 9 are needed for a quorum. Thus, five judges (a majority of the nine) may render decisions binding upon all parties concerned. The present judges are from the Soviet Union, Poland, the United Arab Republic, Panama, Uruguay, Mexico, Pakistan, Argentina, Australia, Greece, Norway, France, China, United Kingdom, and the United States. Although there are friends of the United States on the Court, it would be naive to assume that its decisions will always be fair and just—if only because, in conceivable instances, only three other votes would be needed to support a decision designed and voted for by Poland and the Soviet Union. What makes this situation even less desirable is the fact that, while the United States and 38 other nations have subjected themselves to compulsory jurisdiction of the Court, thereby exposing their actions to the judgment and criticism of judges of the Soviet Union and Poland, neither the Soviet Union nor Poland has accepted compulsory jurisdiction of the Court. The Soviet Union, of course, may voluntarily submit a case to the Court; but this it has never done and probably will never do.

It has been suggested that the U.S. reservation is "un-American," in that it is "self-judging." While it is true that the reservation leaves to the United States the exclusive right to determine what is domestic, the characterization "un-American" is unfortunate because (1) 50 U.S. Senators voted for it, (2) it seems difficult to understand why the reservation should be considered "un-American" if it is used to prevent the Court from exercising jurisdiction over a domestic matter and (3) if the characterization must be employed it would be better applied to other aspects of the Court. For example, the Court's opinions are final and unappealable and, therefore, unlike any other court in America except the Supreme Court. Also, the judge from a member nation that is a party to a suit before the Court need not disqualify himself. In addition, a member nation that has a suit before the Court, but is not represented on the Court, may choose a judge of its own liking to sit on the bench to self-judge its own case. The logical consequences of self-judging by permanent or ad hoc judges were summed up in a 1959 law review article by Wolfgang G. Friedman, professor of law, Columbia University:

"It is also a sad but uncontested fact that generally the strength of national allegiance still far outweighs the supranational loyalties which the judges of the Court, like any international servants, are supposed to put before any national feelings or duties. Cases in which judges have dissented from the point of view put forward by the government of their nationality are few and far between."

Professor Friedman also questioned the competency of many judges on the Court by saying:

"It must be added, however, that the recent deplorable practice of appointing to the Court politicians with less than distinguished legal qualifications, as a reward for services or political compromise, had not added to the status of the Court or to its role in the development of international law."

After reading such an appraisal, the efforts of Arthur Larsen, Director of the World Rule of Law Center of Duke University Law Center, become not only humorous but also misguided when he attempts to inform us that among the Court's judges are "some of the finest international lawyers in the world" and goes on to prove this by advising us that—

"The judge from the Soviet Union, Kojevnikov, ranks high among legal scholars in his country. Indeed, he was formerly dean of the University of Moscow Law School. This is evidence of a high order of sound judgment, not so much that he became a dean as that he became a former dean."

While Mr. Larsen's statement is logically so ludicrous that it needs no further comment, the suggestion implicit in his remark that a judge of the Soviet Union is competent to sit with judges of the non-Communist world and will be motivated solely by notions of justice and morality is, at best, hapless, when we remember the true nature of our Communist enemy. It is worth recalling what John Foster Dulles said just 1 year earlier:

"Furthermore, 'law' to Communists means something very different than to us. To them, 'laws' are essentially the means whereby those in power suppress or destroy their enemies. * * * While we have, through collective security arrangements, largely deterred the Communist bloc from using force, we have found no effective means of persuading or inducing the countries of that bloc to accept the principles of justice and law and peaceful change."

LAW TO BE APPLIED

In any judicial system there are obvious indispensable requisites. One is, of course, the existence of a court; and the other, not less obvious, is a body of law to be enforced by the court. It can be argued that a law without a court may or may not be a useless gesture depending upon the degree of voluntary recognition of and compliance with the law. Less convincingly, one may argue that a court without clearly defined law may be successful depending upon voluntary submission of disputes to it and willingness to accept judgments, however strange they may be. But here one must pause and reflect profoundly on the wisdom of a situation where submission of disputes to a court without law is involuntary or compulsory ipso facto. Article 38 of the statute of the International Court states that the Court, in reaching its opinion, shall apply, "(A) International conventions, (B) International custom, as evidence of a general practice accepted as law, (C) The general principles of law recognized by civilized nations, and (D) Subject to the provisions of article 59, judicial decisions and the teachings of the most highly qualified publicists of the various nations, as subsidiary means for the determination of rules of law."

There will be no quarrel at this time with the Court's application of international conventions to which the United States has expressly become a party. In applying the convention the Court will look to the instrument itself to determine what the parties have agreed upon, and apply it to the particular case. This is the occasion, however, to ask what "international custom," what "general principles of law recognized by civilized nations," and what "judicial decisions" and "teachings" are being applied by the International Court in the adjudication of cases before it.

Do advocates of repeal consider the Soviet constitution a guide to the "law recognized by civilized nations"? If so, should the judges on the Court be influenced by provisions for "abolition of private ownership of instruments and means of production," dec-

or any reasonable alternative which will get the job done.

The bill would create a U.S. Foreign Service Academy. Before going into the details of the bill itself and giving you some facts and figures behind it, the theory behind it can best be set forth by the first section.

Congress recognizes that at the present time and in the foreseeable future the world and the universe are growing smaller in terms of time and space, which necessitates now and will demand in the future constant informed contact, knowledge and understanding between all peoples of the world in diplomatic, cultural and commercial exchanges. The success of these exchanges and the survival of the world may depend on the ability, education, training, and intelligence of the men and women charged with the conduct of the foreign relations of the United States.

Similar thoughts have been held and expressed by many Members of Congress including Congressman Trimble, of Arkansas; Congressmen McDonough and Younger, of California; Congressman Seely-Brown, of Connecticut; Congressman Cramer, of Florida; Congressmen Donohue and Lane, of Massachusetts; Congressman Randall, of Missouri; Congressman Rodino, of New Jersey; Congressman Celler and former Congressman Bosch of New York; Congressman Fulton of Pennsylvania; Congressman Zablocki of Wisconsin; Senator Smathers of Florida, and Senator Symington of Missouri. I am sure there are others who have introduced legislation of a like nature and the same basic ideas are perhaps incorporated in the President's recent proposal for a Peace Corps. Colorado is no stranger to these ideas and perhaps is a forerunner of the thinking in many areas. Consider for a moment what has been done in Colorado. It is the home of NORAD, the site of the Air Force Academy, the research center for solar observations through the Climax Meteorological Observatory, the site of the newly constituted Atmospheric Research Center, and the location of important atomic research work. Time and space become synthesized in aviation, space and atomic research, and although I do not claim that Colorado is pre-eminent in this field we are certainly among the leaders and in fact start 5,000 feet up at our lower elevations. I have been personally acquainted with the advance of aviation, having held a pilot's license for over 25 years.

Today all Americans can cross the ocean with passengers in the time it used to take to cross New York State. Today our geographical barriers, so important, even fundamental, to our past ability to grow and prosper, relatively unhindered by foreign nations have disappeared. Today by reason of our position as the leader of the free world we are in daily, even hourly, contact with people all over the world. Only 2 days ago, literally speaking, this Congress approved a supplemental appropriation bill which not only included \$22,000 for entertainment expenses so ably objected to by my colleague Mr. Gross, of Iowa, but also contained \$4½ million for new embassies in Africa so that this Nation will have sites at which to meet and dis-

cuss with the people of the new nations the problems which entangle all of us.

We are informed by reliable sources that within 10 years we will be able to travel by supersonic jet from almost any point in the United States to almost any point in Europe in 15 minutes or less—less time than it takes most of us to go from this Hall to our homes. We know that enemy missiles can be fired from Russia in the heartland of Asia and strike, if unhindered, any point in the United States within 15 or 20 minutes.

I repeat time and space become foreshortened with this background and it is necessary to evaluate our plans for dealing with the problems which this foreshortening accentuates.

Now the problems themselves are not all bound up with hostile action. They involve human freedoms and economic stability. Our own programs involving foreign service not only cover the Army, Navy, Air Force, and merchant marine, but also the Departments of State, Commerce, Agriculture, Treasury, Health, Education, and Welfare, the Federal Aviation Agency, the Central Intelligence Agency, the National Aeronautics and Space Administration, and now the President's Peace Corps.

And yet in spite of these activities, the places where our young men and women can get adequate training to make foreign service a career are severely limited. In my own State no publicly supported college or university offered an undergraduate degree in international relations until 1960. And there were 23 different degrees offered in physical education. It is my belief that a better ratio of opportunity should be made available to the young people of this country.

What specifically does this bill do? It creates an academy to be located outside of the District of Columbia and to be managed by a board of trustees of seven members—the Secretary of State, two educators to be appointed by the President, two Members of the House of Representatives to be appointed by the Speaker, and two Members of the other body to be appointed by the Vice President; and the Members of Congress must be evenly divided between the political parties.

The course of study is 4 years and to avoid current criticism in some quarters against the armed service academies—which criticism in my belief is not necessarily well founded—the curriculum must include the following subjects and can include others: Government of the United States, political and governmental theory, comparative religion, history, literature, philosophy, science, economics, geography, foreign languages, agriculture, international law, business and trade practices, and military and naval observation.

The Academy is to be limited to 3,000 students to be chosen by the examination route and to be nominated by the President, Vice President, Secretary of State; each Senator; each Representative; each Governor; the Resident Commissioner of Puerto Rico; the Commissioners of the District of Columbia, the Governor of the Virgin Islands and the Governor of the Canal Zone.

By this means students would be gathered from all corners of this great Nation on a competitive basis and with a limit of 50 to any one State at any one time. The qualifications for admission are age limits of 18 to 25, citizens of the United States, and intelligence. Those who have completed satisfactorily 2 or more years of study at an accredited college or university may take an examination to enter for only the last 2 years of study. This should encourage our other colleges to emphasize courses in foreign relations. During the first 3 years it is expected that at least 2 months' field training will be received in foreign programs and during the last year, not to exceed 6 months of such training. On graduation the students are to be assigned, as nearly as may be, to the programs which best fit their natural talent and choice.

Finally, and by no means least, the Foreign Service Institute now operated by the State Department would be taken over by the Board of Trustees of the Academy to relieve the State Department of educational functions and to put these under one management.

In 1960 according to the Library of Congress, the Military Academy cost over \$30½ million to operate including cadet and military personnel pay; the Air Force Academy cost \$24½ million; and the Naval Academy without inclusion of naval cadet pay cost just under \$20 million. The three academies then had expenses of over \$75 million for 1960 alone to train experienced personnel to protect this country. I do not begrudge this to them, but it certainly seems to me that we can afford \$15 to \$20 million to create a like opportunity to train the young men and women who are making the contacts, meeting the people, writing the messages and making the reports which may easily determine whether or not we have to use any of these Armed Forces.

To do their best they should first know our U.S. history, culture, traditions and system and should also know the culture, traditions, systems and languages of the other people in this world with whom we are, and they will be in daily contact.

Our present personnel in these programs are by and large dedicated men and women but the size and scope of the problems grow daily as do our needs to meet them, understand them and properly evaluate them.

I urgently ask you to consider this, not as another Academy, not as another spending program, not as a waste, not as an attack on the State Department or our present personnel, but as a needed investment in our cold war struggle and a possible key to the future stability of our relations with our allies and the new nations.

GROWTH AND EXPANSION OF SMALL BUSINESS

(Mr. SEELY-BROWN (at the request of Mr. DEVINE) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SEELY-BROWN. Mr. Speaker I have introduced today a bill to assist small and independent business by making certain changes in the Internal Revenue Code which will provide the means by which small business may grow and expand on a sound, constructive basis, thus providing some of the acceleration which we need for both immediate and long-range expansion of our economy.

In introducing this bill today, I am associating myself with my former colleagues, the minority members on the House Select Committee on Small Business, who have introduced similar or identical bills.

The subject matter of the bill which I have introduced is based upon conclusions which were reached after studies made nationwide by a subcommittee of the Small Business Committee which I had the honor of serving as chairman. A strong America is the keystone of a free world. Small business represents the broad base on which our entire economy rests. Therefore, when we strengthen small business we help to provide the assurance of a vigorous and healthy business economy in the years to come.

The provisions of the bill are summarized in the declaration of purpose and policy which is section 1 of the bill, and which sets forth that it is hereby declared to be the policy of the Congress and the purpose of this act:

1. To provide for growth, expansion, and modernization for small and independent business enterprises engaged in trade or commerce.

2. To permit individuals and partnerships filing income tax returns for small and independent businesses engaged in trade or commerce to revoke an election to be taxed as a corporation.

3. To provide a normal tax rate of 20 percent for taxable years after June 30, 1961, and to increase the surtax exemption.

4. To provide a growth, expansion and modernization exemption on net taxable earnings for small and independent business engaged in trade or commerce.

5. To liberalize the income tax treatment of losses incurred through loans to small and independent business enterprises engaged in trade or commerce.

6. To provide small and independent business an exemption for good will in the determination of an estate.

7. To provide family-sized farmers and others engaged in agricultural pursuits an exemption for the improvement, modernization, and renewal of buildings or equipment used in the production, care, and marketing of farm products.

8. To provide family-sized farms, whether or not such farms are owned in fee or occupied by renters or tenants, an exemption for the improvement, modernization, and renewal of buildings or equipment used in the production, care, and marketing of the products of such farms.

It should be noted that we are not imposing tax relief for small business, but rather additional reform and revision of the Internal Revenue Code, so that the tax collector will not start bearing down on the small business as soon as it gets its head above water. There is ample precedent in present law and in good administration for the changes we propose here.

Instead of small business being subjected to surtax rates on income over \$25,000, the income up to \$150,000 would be exempt from surtax in this bill. The normal corporate tax rate would be placed at 20 percent, instead of 25 percent.

The opportunity is provided for small business to invest in its own future, by allowing businesses whose taxable income is \$150,000 a year or less to treat expenditures which are paid or incurred—for the construction, reconstruction, erection, installation, improvement, or acquisition, of any facility, land, building, machinery, or equipment—used in the trade or business as expenses which are not chargeable to capital account. There are limits, of course, to the amounts so expended which can be charged off as ordinary expenses. If the taxable income is \$10,000 or less, 50 percent of the taxable income may be deductible for the purposes stated above. As income increases, the deductible amount or percentage would be proportionately less.

If the taxable income of a business is over \$10,000 but not over \$25,000, the deductible amount would be \$5,000 plus 40 percent of the taxable income over \$10,000. A business with taxable income over \$100,000 would be entitled to a deduction for expenditures described above, of \$28,500 plus 10 percent of the excess over \$100,000. The whole purpose of this legislation is to help the business economy of our country by strengthening small business, and the smaller the business, the proportionately greater help it would receive under the tax reform proposal contained in this bill.

I should like to note that four of the proposals contained in the recommendations which the subcommittee which I had the honor to head submitted to the full committee and to the 83d Congress, already have been enacted into law. The time has come to go further with the job of strengthening small business by making it financially self-sufficient so far as possible, by permitting earnings to be plowed back into the business for growth, expansion and modernization. That is what this bill proposes to do.

FEDERAL ADVISORY COUNCIL ON THE ARTS

(Mr. LINDSAY (at the request of Mr. DEVINE) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. LINDSAY. Mr. Speaker, I have today introduced a bill to provide for the establishment of a Federal Advisory Council on the Arts to assist in the growth and development of the fine arts in the United States.

The projected Council, consisting of 21 members appointed by the President with the advice and consent of the Senate, would be established within the Department of Health, Education, and Welfare. The membership of the Arts Council would consist of eminent private citizens representing the major art fields, including music, drama, dance,

literature, architecture, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, and television.

The major function of the Arts Council would be to conduct studies, make recommendations, and cooperate with private and governmental groups on all levels for purposes of stimulating artistic creativity and greater public appreciation of the arts.

My district is located in the heart of Manhattan, undoubtedly America's premier art center. My lifelong familiarity with this culturally rich community has brought me into contact with many of the leaders of our country's great and vital arts. Among these people, I have found, there is overwhelming support for the proposed Council based on the belief that it would make a significant new contribution to the artistic and cultural life of the Nation.

The need for the Federal Advisory Council on the Arts is very clear. Surely it is in the national interest to foster creativity and enrichment of our lives through the cultivation of the arts.

FEED GRAIN BILL

(Mr. WIDNALL (at the request of Mr. DEVINE) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WIDNALL. Mr. Speaker, I have given a great deal of study and thought to this legislation, to determine what effect it would have on the farmers of the Seventh District of New Jersey, and on consumers everywhere. I rise to voice my opposition to the bill under consideration (H.R. 4510). Dairy farming and poultry farming constitute two most important contributors to the economy of northwest New Jersey. New Jersey is a deficit feed State.

My opposition to this legislation is based on several factors. One is that this bill would increase the level of price supports for feed grains. And, what's worse, it provides no limit on the level of this price support. The higher cost of this program would be particularly burdensome on poultry, dairy, and livestock farmers everywhere in the Nation.

If enacted, this bill would, moreover, pose this problem for these farmers: they would face the prospect of uncertain feed grain supplies, much of which would be composed of grain released on the market as the Commodity Credit Corporation might decide. Naturally, market prices would be adversely affected by such a release. Thus, poultry and dairy farmers would be unable to plan their operations in advance, because of the uncertainties of market prices and supplies.

No matter how figures are juggled here, this fact emerges—the program this bill would authorize would cost taxpayers more money than the present program is costing, and would be detrimental to all farmers in the deficit feed areas.

Of this bill, as the distinguished gentleman from Illinois [Mr. ARENDS] has said, we might well ask: "What does this

bill do to the farmer, rather than for the farmer?" The answer dictates my opposition to it.

Almost all farmers in my district belong to the New Jersey Farm Bureau. That fine and very representative farm organization has evidenced their strong opposition to this measure in the following telegram received by me:

TRENTON, N.J., March 7, 1961.

Congressman WILLIAM B. WIDNALL,
House Office Building,
Washington, D.C.:

We urgently request that you oppose passage of H.R. 4510 special feed grain bill. This bill would penalize northeast dairy, poultry, and livestock producers and would definitely not be in the best interest of New Jersey agriculture or any major portion of American agriculture. Please note this bill does not tackle the wheat surplus problem; it changes a good corn program which is beginning to work free of Government control; would change a presently good soybean situation and create a surplus; and in general will not solve the feed grain problem. We support H.R. 4133 and eight other similar bills that provide for Farm Bureau cropland adjustment program.

C. H. FIELDS,
Secretary, New Jersey Farm Bureau.

CAPTIVE NATIONS

(Mr. CONTE (at the request of Mr. DEVINE) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CONTE. Mr. Speaker, it is especially today that I rise to address this distinguished representative body of freemen with a feeling of gratitude and privilege. Like my distinguished colleagues whom I have joined today in the recognition of the captive nations, my subject does not concern freedom, but rather its evil counterpart, slavery.

Throughout the year, it is customary to acknowledge here in the House, some particular day of commemoration, sacred to the historical tradition of peoples who, presently, find themselves crushed under the weight of oppression. It is just and right that we should announce in this Chamber to the world our interest and deep concern in the sordid and deplorable fact that there exist captive nations.

Gazing at a map one can readily see the vast areas of this world, the great populations and many nations which are being held in bondage against their free will or self-determination. The impact is enough to shock any reasoning man from complacency, indifference, or apathy.

Countless cultures, traditions, and philosophies of life and action, imbedded in peoples over centuries of evolutionary refinement and development are now being systematically destroyed before our eyes.

The ideas of freedom, independence, free will, self-determination, rights, and all the philosophical cornerstones which we accept as the very fundamentals of our way of life and government, are considered by the Communist masters of these unfortunate nations to be dangerous, evil, and wrong.

Unleashed upon these helpless nations has been a base and vicious program

using every modern method and device of persuasion. Insidious in its calculation and execution, it has spared none of its captive victims. They have tried every technique, from one extreme to the other. But even benign persuasion cannot destroy the faith these brave people retain in the integrity and dignity of man. The Reds know full well that when philosophical truths believed in because they are self-evident or born of logical reason in men, that they have failed. This leads them to the animal approach to use the brutality of force in attempts for total eradication. This simply means a policy of constant pressure which has no moral limitations and which, to achieve its ends, has committed some of the most heinous crimes in recorded history. Despite untold sufferings of mind and body, these captive nations still nurture the same faith and hope as we, in the noble ideals upon which the entire free world bases its cause for existence.

Behind this wall of barbed wire, bayonets, and tanks, lies the largest camp of confinement ever to be in existence in the history of civilization. It should be proof sufficient, that while technology and science have advanced, while man himself is concentrating to unlock the secrets of himself and the universe, and while men look forward for the hope of a better world for all, that side by side with this striving, there exists another world where despair and degradation are the only prospects for the future.

The very last resource which the captive nations have, is the existence of our free world. Their source of hope and strength, even optimism if any, that America exists as a society of freemen but not that only, but more, that we are ever conscious that nations are being held in captivity. Therefore, the added burden has fallen upon us that we cannot fail or be in any way remiss in our duties to consistently display and practice the ideals which constitute the positive attributes of democracy. Every manifestation of lassitude on our part as a nation and as a people, gives reassurance and strength to the programs and arguments of the Communists who are trying to eradicate any belief in the strength and validity of freedom.

Let us persevere with greater effort, to see that somebody in the future, all those captive nations will be able to enjoy the freedoms which are rightfully theirs. That they too, can live in the family of nations as independent states, sharing with us in the common belief in the integrity, dignity, and brotherhood of all men.

YOUR OPPORTUNITY

(Mr. HOFFMAN of Michigan (at the request of Mr. DEVINE) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HOFFMAN of Michigan. Mr. Speaker, so many have requested support for the impeachment of Chief Justice Warren that, in a previous statement, an effort was made to briefly explain impeachment proceedings—that

any effort to impeach the Chief Justice would be futile.

It being evident that impeachment proceedings would not result in a conviction by the Senate, but would tend to create disrespect for the Chief Justice and the Court, to discredit decisions written by the Chief Justice concurred in by the Court, and with the reasoning and conclusions of which even the writers of the protest might be in accord, it was suggested that those protesting might have other ways of implementing their views.

SELECTION OF JUDICIAL OFFICIALS

The President, by and with the approval of the Senate, selects those who serve on the Supreme Court bench. That Court has had, and should have, the respect of our people.

Individuals, as voters, have, prior to their confirmation, little knowledge of the political or economic philosophy of those who are selected by the President. Even if individuals object to an appointment, they have no way, except through a Senator, to effectively protest.

But that situation does not prevail when many of our judges in the States are placed upon the bench. Usually, the voters of a designated area select the judges of the local courts, and the voters of a State select, at either a general or special election—in Michigan, a spring election in April—the members of the State Supreme Court. In Michigan, the candidates for the State Supreme Court are on a nonpartisan ticket, the only identifying mark being that candidates for reelection are designated incumbent judicial officers, which ordinarily gives them a vote-getting advantage at the polls.

However, contrary to the national picture, active, patriotic citizens of a State can and should, if they oppose present tendencies of any court; think the decisions of the court, as a rule, are wrong in principle, make inquiry to ascertain, not only the political and economic philosophy, the views on constitutional government of those who seek election to judicial office, but, when election day rolls around, register their approval or disapproval of the candidate seeking a judgeship. There is no other practical way for the voters to implement their philosophy, their agreement with or disapproval of a position taken by a court.

It is there effective in that it places in the hands of voters of a State a weapon which may control the principles upon which the State courts base their decisions, decisions vital to the future welfare, not only of the people, but to the State itself.

This suggestion is not helpful in making effective any desire for a change in the principles on which the U.S. Supreme Court's decisions are registered. The only safeguard there is an alert, sound-thinking President.

To a limited degree, State court decisions are considered by the U.S. Supreme Court. As an example of a way in which a voter may register his views, look at the situation in Michigan. In the April election, one of the candidates is Justice John Dethmers, who not only has established a statewide record as a

moderate conservative, but has made a national record in support of the principle that the U.S. Supreme Court is not a legislative department. He, as chairman of a national committee of judges, a few years ago, in no uncertain terms, declared courts should not attempt to legislate, should merely interpret the laws enacted by the legislative bodies of the State and Nation, and of those provisions of the Constitution which come to the Court for interpretation.

If the voters, after careful research and consideration, will select for judicial positions only those with whose views they are in accord, we will get from the State courts, at least, a line of decisions which the people, as a whole, believe will be helpful to the welfare of all and make secure the future security of our Nation.

FEED GRAIN BILL

(Mr. RAY (at the request of Mr. DEVINE) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RAY. Mr. Speaker, I am opposed to the feed grain bill, H.R. 4510, which is before us today. If enacted, this bill would put the Federal Government in full control of the marketing of grains. It would destroy our competitive markets system and replace that with a system whereby the Government sets the farmer's price, controls his production and markets his produce. It contains an unlimited delegation of power to the Secretary of Agriculture to establish price support levels.

In my judgment we should be moving away from price supports and market-control controls. This the bill fails to do.

U.S.N.S. "ELTINGE"

(Mr. SHELLEY asked and was given permission to address the House for 5 minutes and to revise and extend his remarks.)

Mr. SHELLEY. Mr. Speaker, the Military Sea Transportation Service's transport U.S.N.S. *Eltinge* arrived off the entrance of the Congo River on March 7 and anchored outside territorial waters awaiting diplomatic clearance to enter the Congo River and proceed to Matadi. There she was to load U.N. troops for rotation home.

The *Eltinge's* sister transport, also an MSTs ship, U.S.N.S. *Blatchford*, had entered Matadi a week before and had sailed with Moroccan troops bound home to Casablanca.

Matadi, meanwhile, had been closed to shipping by the Congolese Government. On March 8, the *Eltinge* was instructed to shift her anchorage to a point 15 to 18 miles off Cabeca de Cobra because, according to the U.N., the presence of the transport at her original anchorage was causing unrest and alarm to the villagers. At her present anchorage she is not visible from the beach.

Before sailing from New York on February 20, U.S.N.S. *Eltinge* loaded an International Cooperation Administration famine relief shipment of 750 measurement tons of powdered milk

for the starving children of the Congo who are reported to be dying of starvation at a rate of several hundred per day. This milk is still aboard the ship and the United Nations is apparently the only agency involved in this operation which is empowered to request that arrangements for its offloading be made.

The Congolese children are presumably still starving. The relief for their hunger pangs, in the form of 100,000 gallons of milk, sits in the *Eltinge's* hold less than 20 miles offshore.

It is possible that the ship might be permitted to approach the port of Banana at the entrance to the Congo; anchor in the stream; and using ship's gear offload this mercy cargo onto lighters for transportation ashore. The ship could then again withdraw while the Congolese officials and others concerned continue their negotiations regarding the use of the port for troop and supply activities.

Any decision on this mercy cargo must come from the United Nations, not MSTs despite the fact that the commander, MSTs is a three star naval officer, Vice Adm. Roy A. Gano, and that the *Eltinge* is a public vessel of the United States assigned to, and manned by American civilian merchant seamen. The fantastic chain of command involving this sealoft of troops and supplies is as follows: United Nations to Joint Chief; Joint Chiefs to CinCLanat; CinCLan to ComServeLant, ComForces Lant to MSTs.

Meanwhile the *Eltinge* lies at anchor, perhaps to sail for another destination, carrying with her this famine relief emergency cargo, meant for the Congo.

The children are dying there. And less important but a matter to think about, the tab for the use of the ship is running up at \$7,500 per day as she lies out of sight of the nervous villagers whose children are starving.

MASSIVE VOCATIONAL RETRAINING PROGRAM NEEDED TO SOLVE UNEMPLOYMENT PROBLEMS

The SPEAKER pro tempore (Mr. O'BRIEN of New York). Under previous order of the House, the gentleman from West Virginia [Mr. HECHLER] is recognized for 30 minutes.

Mr. HECHLER. Mr. Speaker, in most of the discussion of how to solve the problem of high unemployment in distressed areas, too much emphasis has been placed on certain long-range solutions.

It seems to me that there are urgent human problems which need immediate attention. We cannot solve these problems through expanding surplus commodity distribution or extending relief. We must seek a speedier solution which will give jobs to the unemployed.

I believe the answer lies in a massive program of vocational retraining, fully utilizing the facilities of the U.S. Employment Service. Furthermore, it is important to supply loans for retrained workers to relocate to places where they can get jobs.

Mobility is what has helped make our country great ever since the days of the

pioneer. We must restore the opportunity for mobility, and restore it quickly.

The existing bills proposed for area redevelopment propose authorizations of only \$10 million for retraining. This is only a drop in the bucket.

Why, in West Virginia alone, with 85,000 people out of work—nearly 1 out of every 6 persons in our work force—we need to move more quickly than the legislation now being discussed will do.

If we would embark on a massive retraining program which would retrain 50 percent of our unemployed within the next 3 years, we would make an early dent in the serious problem we face.

Mr. Speaker, I believe we ought to be spending 50 million rather than a piddling \$10 million on vocational retraining.

Mr. Speaker, one of the most challenging new suggestions to help solve the problem of high unemployment in depressed areas has been proposed by the mayor of my hometown of Huntington, W. Va., the Honorable David L. Francis.

Mr. Speaker, I would like to read this report, entitled "Solving a Critical Human Problem":

SOLVING A CRITICAL HUMAN PROBLEM

(A proposal to improve job opportunities for depressed area unemployed in West Virginia and in eastern Kentucky, by David L. Francis, mayor, city of Huntington, W. Va.)

Grateful acknowledgment is made to the following educators and civic planners who have been very helpful with their counsel and of invaluable assistance in their compilation of data used in the development of this proposal.

West Virginia: Sherril D. McMillen, State director of vocational education; Olin C. Nutter, superintendent, Cabell County schools; D. W. Fox, coordinator of vocational education, Cabell County; George W. Bryson, superintendent, McDowell County schools; Clark D. Todd, management engineers, Princess Coals, Inc.

Kentucky: James L. Patton, assistant superintendent of public instruction, department of education; E. P. Hilton, State director of vocational education; Frederick Martin, director of trade and industrial education; G. L. Ramey, director of Mayo State Vocational School; B. F. Reed, coal executive; John Whisman, special assistant to Gov. Bert T. Combs; Henry Mayer, research assistant, Eastern Kentucky Regional Planning Commission.

INTRODUCTION

The magnitude of the West Virginia-eastern Kentucky unemployment problem is critically large and, therefore, requires corrective action of equal size.

Number of unemployed

	January 1961	January 1960	Increase since January 1960
West Virginia.....	85,000	60,000	25,000
Eastern Kentucky.....	45,000	40,000	5,000

Number receiving unemployment compensation, January 1961

West Virginia.....	40,000
Eastern Kentucky.....	13,000

It is to be noted that not included above are several thousand persons who have exhausted the unemployment benefits or who are on direct public assistance. The number of people receiving surplus food on a regular

Appendix

The 111th Anniversary of Birth of Thomas G. Masaryk

EXTENSION OF REMARKS OF

HON. ROMAN L. HRUSKA

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Thursday, March 9, 1961

Mr. HRUSKA. Mr. President, Tuesday, March 7, marked the 111th anniversary of the birth of Thomas G. Masaryk, the founder and the first President of Czechoslovakia, and a philosopher of world renown.

The interest of U.S. citizens in this historical figure arises from at least two sources: One is that he married an American girl. The second is that his life and his memory have a sustaining influence on the ideology of real democracy. This is proved by the fact that about a year ago there was issued a commemorative stamp in memory of Thomas G. Masaryk, as one of the champions of liberty. His influence in Czechoslovakia and elsewhere in central Europe is considered so detrimental to the cause of the U.S.S.R. that whenever letters bearing his likeness on the stamp attached thereto were mailed from this country to Russia, they were either turned back or were destroyed.

Mr. President, I have prepared a brief statement covering some of the things for which he stood and his biography. I ask unanimous consent that the statement be printed in the Appendix of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HRUSKA

Tuesday, March 7, marked the 111th anniversary of the birth of Thomas G. Masaryk, founder and first President of Czechoslovakia.

In this era of uncertain relations with an ideology bent on burying us, it is especially appropriate for us to pay honor to this champion of liberty and to heed the example of those, like him, who would not rest until the cause of freedom prevailed in their land.

Masaryk's name is linked with the cause of freedom, as once his country was. He remains, however, an inspiration to all freedom-seeking peoples, just as his country now is a tragic reminder that his work must be done again.

The life of Thomas Masaryk has been closely associated with our country. He married an American girl and took her family name, Garrigue, as his middle name. The democratic ideals he advocated were influenced by American concepts. During his years of exile and fight for independence for his homeland, he resided and taught here. In America he first obtained a formal declaration of sympathy with the cause of Czechoslovak independence. And with that sponsorship, the new Czech nation emerged

in 1918 out of the ruins of the Austro-Hungarian Empire. Within a few years, Czechoslovakia became a prosperous and respected country in the European Continent.

Today the principles he espoused have been uprooted in his country. This rejection was emphasized in recent days by the change in title of the government to include the word socialist, so as to identify the state even more closely with the Soviet sphere. In keeping with that program, even the name of Masaryk is to be expunged. American letters carrying a postage stamp issued in his honor have been denied entrance into the country. The historic words which embody the philosophy of Masaryk's life, "truth prevails," are now whispered and hardly heard in his homeland.

On the occasion of the anniversary of his birth it is exceedingly important that we pay honor to the memory of Thomas Masaryk and to renew our assurance to his oppressed countrymen that their cause of freedom continues to be the objective of liberty-loving peoples everywhere.

Feed Program for 1961

SPEECH

OF

HON. CHARLES B. HOEVEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1961

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4510) to provide a special program for feed grains for 1961.

Mr. HOEVEN. Mr. Chairman, in answer to the argument of the gentleman from North Carolina in opposition to the Harvey amendment, I simply want to say, that if the Secretary of Agriculture means what he said on many, many occasions covering his intention to fix the price support on corn at \$1.20 per bushel, I cannot see any harm in spelling it out in the legislation so that there will be no misunderstanding and no misapprehension on the part of anyone, as to what the Secretary intends to do. The Secretary of Agriculture, has positively said that he would fix the price support on corn at \$1.20 per bushel. That statement was made by him in the transmittal letter sent to the Speaker of the House and to the Vice President of the United States, urging feed grain legislation. His intention was again set forth in the Secretary's prepared statement before the Committee on Agriculture in which he specifically said that the price support on corn would be \$1.20 per bushel; later, at a press conference held last week when the question was asked of the Secretary as to the price support on corn, he specifically said again that it was his intention to fix the price of corn at \$1.20 per bushel.

Now what is wrong in adopting the amendment offered by the gentleman

from Indiana? It fixes the support level at from 65 to 75 percent of parity. This in reality is \$1.20 or approximately 74 percent of parity. In fact, the Harvey amendment provides for an additional point over and above the 74 percent of parity figure. Personally I have no fear about the Secretary of Agriculture not keeping his word, but the fact is that the present wording of the section dealing with price support on corn leaves the sky as the limit. This leaves it open for pressure groups and others to prevail upon the Secretary of Agriculture to raise price support to any figure he desires over and above 65 percent of parity. This could go to 110 percent of parity and even beyond. I do not think this will be done by the present Secretary but there is nothing to prevent another secretary tomorrow to do something else. Such uncertainty should not be permitted.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Chairman, I make the point of order that the committee is not in order, the gentleman from Iowa, the ranking Republican member of the committee is making a very important statement, and I think he is entitled to be heard.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Indiana.

Mr. HARVEY of Indiana. Would the gentleman from Iowa agree with me that this in essence is simply not a matter of questioning the Secretary's word, but it is a matter of protecting him insofar as the views of the Congress are concerned on this issue.

Mr. HOEVEN. I agree with the gentleman. His amendment is a protective measure to protect the Secretary of Agriculture, and I think he would welcome it. I think this legislative body should protect him when he says that he wants a price support of \$1.20 per bushel on corn.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. I just want to remind the gentleman of the fact that the bill that the Secretary sent up here had these words in it, "the level of price support for the 1961 crop of corn shall be \$1.20 per bushel." I think the gentleman objected, as I did, to that language and we put in the language which we now have before us. Further, I want to point out to the gentleman what the final report of the committee says. We are making legislative history at this moment.

The Secretary indicated in his memorandum to the President and in his testi-

mony before the committee that at the level of conservation payments recommended in his memorandum, which has been reduced by the committee, it was his intention to set the support price of \$1.20 per bushel. There cannot be any misunderstanding about it. Why can we not have confidence in the gentleman who has just now taken office? This is the gentleman's first promise to this Congress, that he would fix it at \$1.20 a bushel, or 74 percent of parity.

Mr. HOEVEN. I would advise the gentleman that on yesterday I gave the committee history of this particular amendment. The first figure presented to the committee in the bill sent up by the Secretary was \$1.20 a bushel without relation to the parity formula.

Mr. COOLEY. Right.

Mr. HOEVEN. I objected to pegging the price as did the gentleman from North Carolina. Subsequently we considered fixing a support price from 65 to 90 percent of parity. That again was objected to because there was apprehension on the part of some members of the committee that the figure 90 might have some magnetic significance so as to weaken the bill. So we came up with the compromise provision now in the bill.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(By unanimous consent Mr. HOEVEN was allowed to proceed for 2 additional minutes.)

Mr. HOEVEN. I simply want to say that the Secretary, without equivocation, on many occasions said that he was going to fix the support price at \$1.20 a bushel. What harm, therefore, can there be in writing the Harvey amendment into law so there will be no misapprehension and no question about the Secretary intentions? I am not questioning the honesty or integrity of the Secretary for one moment and am sure he would favor the amendment as a protective measure to himself.

This amendment, in fact, tests the honesty and sincerity of those who want to support their own Secretary of Agriculture in his announced intention of supporting corn at \$1.20 a bushel, which is 74 percent of parity. I do not question the motives of anyone, and do not charge anyone with ulterior motives, but I cannot understand why anyone should object to writing into law the very thing the Secretary said he wants, in this regard.

The Harvey amendment should be adopted.

Useful Service of Mississippi National Guard During Recent Floods

EXTENSION OF REMARKS OF

HON. JOHN STENNIS

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES
Thursday, March 9, 1961

Mr. STENNIS. Mr. President, the Mississippi National Guard has always occupied a high place of useful service in the lives of all Mississippians.

The recent disastrous floods in south Mississippi, resulting from prolonged heavy rains that overran many rivers and streams, left widespread destruction in many areas, particularly in the Hattiesburg area.

Perhaps no single organization came to the aid and relief of flood-stricken Mississippians as did units of the Mississippi National Guard.

These citizen-soldiers, ready to act in peace and in war, in military and civilian distress, responded promptly and effectively with men and equipment to relieve suffering and hardship.

An editorial in the Jackson, Miss., Clarion-Ledger of Saturday, March 4, 1961, spells out in a commendable fashion the manner in which the National Guard performed its services.

Mr. President, I ask unanimous consent that the editorial entitled "Guard's Flood Relief Duties Are Timed Most Appropriately," be printed in the Appendix of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GUARD'S FLOOD RELIEF DUTIES ARE TIMED MOST APPROPRIATELY

Many organizations have helped in the relief of distress from the Mississippi floods, and we would not want to single out any one or any set of them for special distinction. But the fact remains that of all the contributing groups, the timing of the situation came most appropriately for our Mississippi National Guard.

February 22 was to have been a day of special observances for the Guard, as Washington's Birthday is traditionally "Muster Day" for the citizen-soldier organization.

But by that date last week, flood waters had already displaced hundreds of people from their homes, and the Guard was on duty in several areas, rescuing people and housekeeping for them, in concert with other agencies.

The presence of the Guard both men and equipment has been an invaluable asset to the people of areas devastated by floods, and these emergencies have afforded dramatic proof of the Guard's ability to react instantly and efficiently when the public interest demands it.

In this connection the Hattiesburg American has said editorially: "The National Guardsmen commanded by Col. John Fishel have worked above and beyond the call of duty to lessen the tragic impact of the invading waters. They have been cooperative and helpful, volunteering services not required of them in many cases, struggling against a powerful and unusual force almost to the point of exhaustion. * * *

"The guardsmen with their big trucks, boats, and amphibious vehicles evacuated the stranded, no doubt saving many of them from drowning. City police, firemen, and volunteer rescuers played big roles in this operation, but the job could not have been done without the National Guard's equipment and organization. The Hattiesburg area can be proud of and grateful to its citizen soldiers."

All Mississippians share this pride and gratitude. Our Mississippi National Guard ranks among the State's major assets. Organized and trained for Federal service in wartime, the guard in peacetime enjoys dual status as a State force. As such it is an organized and trained force immediately available in local emergencies—floods, fires, riots, explosions, and storms.

The Mississippi National Guard's present strength is approximately 11,500 members. Nationally, the force numbers 472,000 officers

and men. Every guard member is trained to do his job and it is this training that makes all the difference in the world.

As citizen soldiers, guard members are motivated by a patriotic conviction that citizenship demands more than payment of taxes and obedience to the law. They believe that a good citizen must put into his country at least as much as he has taken from it.

Modern warfare requires the National Guard to be closer to battlefield readiness than ever before. It has become so coordinated with the active military establishment that it is instantly available—as proven by lightning-fast "Muster Day" exercises in the Nation during the recent observance of the Guard's 15th anniversary of reorganization after World War II.

The Clarion-Ledger gratefully again salutes all units and members of our Mississippi National Guard, and the entire Guard organization from coast to coast.

A Letter to the Joint Committee on Internal Revenue Taxation

EXTENSION OF REMARKS OF

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1961

Mr. BROYHILL. Mr. Speaker, a letter from Mr. W. S. Whitehead, president of Ives, Whitehead & Co., Inc., of Washington, to the Joint Committee on Internal Revenue Taxation was brought to my attention recently. I believe this informative and interesting discussion of the problems involved in the operation of the Renegotiation Act of 1951 will be of interest to my colleagues, and therefore I commend it to you for inclusion in the RECORD:

IVES, WHITEHEAD & Co.,
Washington, D.C.,
December 21 and 28, 1960.

Mr. COLIN F. STAM,
Chief of Staff, Joint Committee on Internal Revenue Tax, New House Office Building, Washington, D.C.

DEAR MR. STAM: This is in response to press release dated November 23, 1960, inviting submission of views in connection with the renegotiation study which the Congress directed the joint committee to undertake pursuant to section 4(b) of Public Law 86-89. It is noted that the congressional directive provides for a "full and complete study of the Renegotiation Act of 1951, as amended, and of the policies and practices of the Renegotiation Board," and to report the findings with recommendations to the Congress not later than March 31, 1961.

In 1956, when your staff conducted a similar undertaking under congressional mandate you will recall, no doubt, that representatives from this firm met with your aids on more than one occasion. We offered what were believed to be worthwhile and realistic suggestions for change not only with regard to certain provisions of the act, but with respect to its administration, as well.

It is sincerely hoped that the sound comments and substantial suggestions for change included herein, and also those submitted from all other experienced sources, be given thorough consideration and impartial treatment and study by your group, prior to the submission of preliminary data with recommendations to the joint commit-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

Issued March 13, 1961

For actions of March 10, 1961

87th-1st, No. 43

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HIGHLIGHTS: Senate passed feed grains bill. House committee voted to report sugar bill. Senate debated depressed areas bill.

SENATE

1. FEED GRAINS. By a vote of 52 to 26, passed with amendment H. R. 4510, to provide a special program for feed grains for 1961, after substituting for its text the amended language of S. 993 (pp. 3466-3508, 3513). Conferees were appointed (p. 3508).

Agreed to the following amendments to S. 993:

By Sen. Cooper, to permit farmers with less than 20 acres to include their entire production under the terms of the bill, rather than reducing it by 30 percent as provided in the bill as reported by the committee. pp. 3486-7

By Sen. Dirksen, to require the Secretary, not later than 90 days after enactment of the bill, to submit to the Congress a detailed report on the operation and administration of the program. p. 3501

The committee amendment of the bill as reported, which was an amendment in the nature of a substitute for the text of the bill as introduced, as amended by the above amendments of Sens. Cooper and Dirksen. p. 3507

Rejected the following amendments to S. 993:

By Sen. Dirksen, to provide that, with respect to the marketing year for the 1961 crop of any feed grain commodity for which price support is made

available under the bill, CCC shall not sell any such commodity at less than 25 percent above the current support price for such commodity, plus reasonable carrying charges. p. 3478

By Sen. Miller, to require a 30 percent reduction in feed grain acreage. Sen. Ellender explained that the proposed amendment "would permit a corn or grain sorghums producer to increase his corn acreage and still be eligible for price support and payments so long as his total acreage of feed grains in 1961 did not exceed 70 percent of his 1959-60 average acreage of all feed grains." pp. 3499-3501

2. DEPRESSED AREAS. Continued debate on S. 1, the depressed areas bill (pp. 3508-10). Agreed to a unanimous-consent agreement providing that, effective Tues., Mar. 14, debate on this bill will be limited to 2 hours on each amendment and to 6 hours on the question of final passage (p. 3467). Sen. Long, La., submitted amendments intended to be proposed to the bill during debate. (p. 3459).

As reported by the Banking and Currency Committee S. 1, the depressed areas bill, includes provisions as follows:

Establishes an Area Redevelopment Administration in the Department of Commerce to be headed by an Administrator appointed by the President and subject to confirmation by the Senate.

Authorizes an Area Redevelopment Advisory Policy Board to advise the Administrator, to be composed of the following members, all ex officio: Secretary of Commerce as Chairman; Secretaries of Agriculture; Health, Education, and Welfare; Interior; Labor; and Treasury; and the Administrators of the Housing and Home Finance Agency and the Small Business Administration.

Requires the Secretary of Commerce to appoint a 25-member National Public Advisory Committee on Area Redevelopment, to be composed of representatives of labor, management, agriculture, State and local governments, and the general public.

Authorizes the Administrator to designate two types of redevelopment areas, rural and nonrural. Directs the Administrator to designate as redevelopment areas those areas which he determines are among the highest in numbers and percentages of low-income families, and in which there exists a condition of substantial and persistent unemployment or underemployment. Requires detailed standards upon which such designations must be based. In the formulation of these standards, the Administrator is required to consider, among other relevant factors, the number of low-income farm families in the various rural areas in the U. S.; the proportion of such low-income families to the total farm families of each of such areas, the relationship of the income levels of the families in each such area to the general levels of income in the U. S., the current and prospective employment opportunities in each area, the availability of manpower in each area for supplemental employment, and the proportion of the population receiving public assistance. In making determinations concerning redevelopment areas, the Administrator is to be guided by studies made and the available information compiled by the various Federal agencies, State and local governments, universities, and private organizations.

Provides for two \$100 million revolving funds, one for industrial projects in nonrural redevelopment areas, and the other for industrial projects in rural redevelopment areas.

Authorizes a \$100 million revolving fund to be used for loans for qualified public facilities projects in redevelopment areas.

Authorizes appropriation of \$75 million for grants to provide additional financing for eligible public facilities projects in redevelopment areas.

Authorizes the Administrator to obtain funds for making loans by borrowing from the Treasury in amounts not exceeding \$300 million outstanding at any one time.

87TH CONGRESS
1ST SESSION

H. R. 4510

IN THE SENATE OF THE UNITED STATES

MARCH 10, 1961

Received; read twice, considered, amended, read the third time, and passed

MARCH 10, 1961

Ordered printed with the amendment of the Senate

AN ACT

To provide a special program for feed grains for 1961.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 105 of the Agricultural Act of 1949, as
4 amended, is amended by adding the following new subsec-
5 tion:

6 “(e) Notwithstanding any other provision of law—

7 “(1) The level of price support for the 1961 crop
8 of corn shall be established by the Secretary at such level
9 not less than 65 per centum of the parity price therefor
10 as the Secretary may determine. Price support for corn
11 and grain sorghums shall be made available on not to

1 exceed the normal production of each eligible farm as
2 determined by multiplying the harvested acreage of corn
3 and grain sorghums on the farm by the average yield per
4 acre for 1959 and 1960.

5 “(2) The Secretary shall require as a condition of
6 eligibility for price support on the 1961 crop of corn,
7 grain sorghums, soybeans, and any other feed grain or
8 oilseed crops which he may designate that the producer
9 shall participate in the special agricultural conservation
10 program for 1961 for corn and grain sorghums to the
11 extent prescribed by the Secretary.”

12 SEC. 2. Section 16 of the Soil Conservation and Domes-
13 tic Allotment Act, as amended, is amended by adding the
14 following new subsection:

15 “(e) Notwithstanding any other provision of law—

16 “(1) The Secretary shall formulate and carry out a
17 special agricultural conservation program for 1961,
18 without regard to provisions which would be applicable
19 to the regular agricultural conservation program, under
20 which, subject to such terms and conditions as the Secre-
21 tary determines, conservation payments in amounts de-
22 termined by the Secretary to be fair and reasonable shall
23 be made to producers who divert acreage from the pro-
24 duction of corn and grain sorghums to an approved con-
25 servation use and increase their average acreage devoted

1 in 1959 and 1960 to designated soil conserving crops
2 or practices by an equal amount: *Provided, however,*
3 That any producer may elect in lieu of such payment to
4 devote such diverted acreage to any crop not in surplus,
5 not eligible for price supports, and not produced prin-
6 cipally for livestock feed as may be designated by the
7 Secretary, but in no event shall popcorn be planted on
8 such diverted acreage. Such special agricultural con-
9 servation program shall require the producer to take
10 such measures as the Secretary may deem appropriate to
11 keep such diverted acreage free from insects, weeds, and
12 rodents. The acreage eligible for payments in cash or
13 in an equivalent amount in kind under such conservation
14 program shall be an acreage equivalent of 20 per centum
15 of the average acreage on the farm planted to corn and
16 grain sorghums in the crop years 1959 and 1960 or up to
17 twenty acres, whichever is greater. Payments in cash
18 may be made on an amount of corn and grain sorghums
19 not in excess of the product of 50 per centum of the
20 average yield per acre for the farm for 1959 and 1960
21 multiplied by the number of such diverted acres. Pay-
22 ments in kind may be made by the Secretary for the
23 diversion of an additional 20 per centum of such corn
24 and grain sorghum acreage. Payments in kind may be
25 made on an amount of corn and grain sorghums not in

1 excess of the product of 60 per centum of the average
2 yield per acre for the farm for 1959 and 1960 multiplied
3 by the number of such additional diverted acres. In de-
4 termining the amount of conservation payments and
5 price supports for the 1961 crops of corn and grain
6 sorghums, the Secretary may make such adjustments
7 in acreages and yields for the 1959 and 1960 crop
8 years as he determines necessary to correct for abnormal
9 factors affecting production and to give due considera-
10 tion to tillable acreage, crop rotation practices, type of
11 soil, and topography. Records secured in compliance
12 with section 329 of the Agricultural Adjustment Act
13 of 1938 in previous years shall also be used where
14 available and equitable. The Secretary may make
15 not to exceed 50 per centum of any payments to pro-
16 ducers in advance of determination of performance.

17 “(2) There are hereby authorized to be appropri-
18 ated such amounts as may be necessary to enable the
19 Secretary to carry out this section 16(e). The Com-
20 modity Credit Corporation is authorized to advance from
21 its capital funds such sums as may be necessary to pay
22 administrative expenses in connection with such pro-
23 gram during the fiscal year ending June 30, 1961.

24 “(3) Obligations under such program may be in-
25 curred in advance of appropriations therefor (i) for

1 payments in cash in an amount not exceeding \$500,-
2 000,000, and (ii) for payments in kind for diversion
3 of acreage, within such limits as the Secretary may re-
4 quire. Payments in kind shall be made through the is-
5 suance of negotiable certificates redeemable for feed
6 grains by the Commodity Credit Corporation in accord-
7 ance with regulations prescribed by the Secretary."

8 SEC. 3. Notwithstanding any other provision of law, the
9 Commodity Credit Corporation is authorized to sell any corn
10 or grain sorghums during the marketing year for the 1961
11 crop of such grains at any price not less than 17 per centum
12 below the 1961 support price for such grains.

13 SEC. 4. For the purposes of this Act, the term "corn"
14 shall mean field corn not including corn for silage.

15 That, notwithstanding any other provision of law—

16 (a) The level of price support for the 1961 crop of
17 corn shall be \$1.20 per bushel; and the level of price
18 support for the 1961 crop of oats, rye, barley, and
19 grain sorghums shall be such level as the Secretary of
20 Agriculture (hereinafter called the Secretary) determines
21 is fair and reasonable in relation to the level of price
22 support for corn, taking into consideration the feed-
23 ing value of such commodity in relation to corn and the
24 following additional factors: (1) the supply of the com-

1 *modity in relation to the demand therefor, (2) the price*
2 *levels at which other commodities are being supported,*
3 *(3) the availability of funds, (4) the perishability of the*
4 *commodity, (5) the importance of the commodity to agri-*
5 *culture and the national economy, (6) the ability to dis-*
6 *pose of stocks acquired through a price-support opera-*
7 *tion, (7) the need for offsetting temporary losses of ex-*
8 *port markets, and (8) the ability and willingness of*
9 *producers to keep supplies in line with demand.*

10 *(b) Corn, oats, rye, barley, and grain sorghums of*
11 *the 1961 crop shall be eligible for price support only if—*

12 *(1) the total acreage on the farm devoted to the*
13 *1961 crops of corn and grain sorghums does not*
14 *exceed the average acreage on the farm devoted to*
15 *such commodities in 1959 and 1960, less 30 per*
16 *centum thereof;*

17 *(2) the total acreage on the farms devoted to*
18 *the 1961 crops of such other feed grains as the*
19 *Secretary may designate does not exceed the aver-*
20 *age acreage on the farm devoted to such commodi-*
21 *ties for harvest in 1959 and 1960, less 30 per cen-*
22 *tum thereof;*

23 *(3) the total acreage on the farm devoted to*
24 *the production of nonconserving crops as determined*
25 *by the Secretary which would normally be harvested*

in 1961 does not exceed the total average annual acreage on the farm devoted to the production of such nonconserving crops for harvest in 1959 and 1960, less the sum of the reductions in feed grain acreages required by clauses (1) and (2) (such sum being hereinafter called the required reduction); and

(4) the producers on the farm in accordance with regulations prescribed by the Secretary of Agriculture—

(i) devote an acreage on the farm equal to the required reduction to soil and water conserving uses, and

(ii) do not produce any crop thereon which is normally harvested in 1961 and do not graze such acreage during such year.

The Secretary may permit a reduction in corn and grain sorghums acreage in excess of the 30 per centum required under clause (1) to be counted toward any reduction required under clause (2) on such basis as he determines will result in a comparable reduction in acreage in terms of feed value. The acreage described in clause (4) shall be in addition to any acreage devoted to the conservation reserve program. In accordance with regulations prescribed by the Secretary, the acreage of corn, grain sorghums, other feed grains designated

1 *by the Secretary, and other nonconserving crops for*
2 *harvest in 1959 and 1960 may be adjusted to the extent*
3 *the Secretary determines appropriate for abnormal*
4 *weather conditions, established crop rotation practices*
5 *for the farm, changes in the constitution of the farm,*
6 *participation in soil bank or Great Plains programs,*
7 *or to give effect to the provisions of law relating to*
8 *release and reapportionment or preservation of history,*
9 *and such other factors as the Secretary may deem*
10 *appropriate. For the purposes of eligibility for price*
11 *support a producer shall not be deemed to have violated*
12 *any of the foregoing conditions unless the producer*
13 *knowingly violated such condition, but the Secretary*
14 *may provide by regulation for adjusting any payment*
15 *under subsection (c) on account of any violation of any*
16 *such condition or any other condition of eligibility for*
17 *such payment.*

18 *(c) Producers meeting the foregoing conditions of*
19 *eligibility for price support shall be entitled for the num-*
20 *ber of acres of each commodity (corn, or grain sorghums,*
21 *or other feed grain designated by the Secretary) repre-*
22 *sented in the required reduction to—*

23 *(1) a cash payment computed by multiplying*
24 *one-half of such number of acres by the average*
25 *annual yield of such commodity by 50 per centum*

1 *of the basic county support rate for such commodity,*
2 *and*

3 *(2) a payment in kind equal in value to an*
4 *amount computed by multiplying one-half of such*
5 *number of acres by the average annual yield of such*
6 *commodity by 60 per centum of the basic county*
7 *support rate for such commodity.*

8 *For the purposes of this subsection the average annual*
9 *yield of each commodity shall be the average annual*
10 *yield per harvested acre on the farm for the years 1959*
11 *and 1960, adjusted for abnormal weather conditions and*
12 *other factors as determined under regulations prescribed*
13 *by the Secretary. The basic county support rate shall*
14 *be the 1961 crop basic support rate, as determined by the*
15 *Secretary, for the county in which the acreage described*
16 *in subsection (b)(4) is located. The payment in kind*
17 *shall be made by the issuance of a negotiable certificate*
18 *which Commodity Credit Corporation shall redeem in*
19 *feed grains equal in value to the value of the certificate.*
20 *The feed grains redeemable for such certificate shall be*
21 *valued at the market price thereof as determined by the*
22 *Commodity Credit Corporation. In the case of any*
23 *certificate not redeemed within sixty days of the date of*
24 *its issuance, reasonable costs of storage and other carry-*
25 *ing charges, as determined by the Secretary, for the pe-*

riod beginning sixty days after its issuance and ending with the date of its redemption shall be deducted from the value of the certificate. The Commodity Credit Corporation shall provide assistance in the marketing of such certificates. The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis.

(d) The producers on any farm may elect—

(A) to increase the reduction of corn and grain sorghums under clause (1) of subsection (b) to any acreage up to 20 acres; and

(B) to increase the reduction of nonconserving crops under clause (3) of subsection (b) and the acreage devoted to soil and water conserving uses and withdrawn from crop production or grazing under clause (4) of subsection (b) to the amount of the total feed grain reduction.

Producers electing to make an additional reduction of corn and grain sorghums acreage under this subsection shall be entitled for the number of acres of each commodity represented in such additional reduction over the number of acres of such commodity represented in the

1 *required reduction to additional payments under clauses*
2 *(1) and (2) of subsection (c). The additional reduc-*
3 *tion provided for by this subsection shall not be a condi-*
4 *tion of eligibility for price support.*

5 *SEC. 2 (a) The Secretary is authorized to issue such*
6 *regulations as may be necessary to effectuate the program*
7 *authorized by this Act.*

8 *(b) There are hereby authorized to be appropriated such*
9 *amounts as may be necessary to carry out the purposes of*
10 *this Act. Obligations may be incurred in advance of appro-*
11 *priations therefor and Commodity Credit Corporation is*
12 *authorized to advance from its capital funds such sums as*
13 *may be necessary to pay administrative expenses in connec-*
14 *tion with this Act during the fiscal year ending June 30,*
15 *1961.*

16 *SEC. 3. Not later than 90 days after the effective date*
17 *of this Act the Secretary shall submit to the Congress a de-*
18 *tailed report setting forth but not limited to the number and*
19 *percent of cooperators under this Act, the acreage retired*
20 *from production by States, the cash payments made, the*
21 *quantity and kind of feed grains made available under the*
22 *payment-in-kind provisions of the Act and the value thereof,*

1 *the overall cost of the program, the estimated savings com-*
2 *pared with the program in effect before this Act became effec-*
3 *tive, and such other information as will indicate the progress,*
4 *cost, and reduction of surpluses under this Act.*

Passed the House of Representatives March 9, 1961.

Attest:

RALPH R. ROBERTS,

Clerk.

Passed the Senate with an amendment March 10, 1961.

Attest:

FELTON M. JOHNSTON,

Secretary.

AN ACT

To provide a special program for feed grains
for 1961.

IN THE SENATE OF THE UNITED STATES

MARCH 10, 1961

Received; read twice, considered, amended, read the
third time, and passed

MARCH 10, 1961

Ordered printed with the amendment of the Senate

in the price of oatmeal at all. In fact the label on the oatmeal box costs more than the oats in the oatmeal box.

Senator SCOTT. Your argument, basically, is that if you increase the cost of the basic food product, it doesn't increase the cost to the consumer.

Senator HUMPHREY. I didn't say that.

Senator SCOTT. I heard it that way.

Senator HUMPHREY. We know that that's the case in perishable commodities. But Senator SCOTT I have never believed that it was the duty of Pennsylvania manufacturers to subsidize consumers in Minnesota, nor have I believed that it was the duty of Wisconsin farmers to subsidize New Jersey manufacturers. What I'm trying to say is that farmers are entitled to a fair deal and so are manufacturers. Now, I'm not unimpressed at all. I am impressed by the seriousness of foreign competition in some of these markets of ours, particularly textile markets. And may I add that some of this competition is from American firms who have seen fit to move their capital and their plant overseas and to manufacture with cheaper labor overseas, goods to ship back into the United States. I think this picture needs a much broader look than merely saying, "Let's keep cotton producers down; let's keep farmers down and let's hope and pray that some of our textile manufacturers can survive at home here." Let's take a look at the total picture and I think that's what Governor Freeman, Secretary of Agriculture, is trying to do.

Senator SCOTT. Senator HUMPHREY, Senator CLARK has been trying to make the point that if the increase in wheat or in oats doesn't increase the cost to the consumer are you prepared to say that 1 year from now under this administration, the cost of the loaf of bread will not go up a cent; the cost of a quart of milk will not go up a cent? Do you anticipate it will go down in view of these expected high parity programs? Do you think that my shirt—and it's a good American shirt by the way—

Senator HUMPHREY. Mine too—made in Minnesota.

Senator SCOTT. And your shirt and the ladies' dresses are going to be less next year? I'm telling you now, ladies and gentlemen, your shirts and your dresses are going to cost more. The order has already been put in and after August, you can expect about next spring a rise in the cost of your clothes. Now these gentlemen will disagree with me and they will come back here next spring and we'll do it again.

Senator HUMPHREY. Now Senator, I know that you want to make this program informative and not merely rhetorical and if that is the case, let's face it. There are possibilities that there will be increased costs. And if there are increased costs, it may be due to a hundred and one factors. Maybe the taxes are going up in Pennsylvania, I don't know.

Senator SCOTT. Oh, yes; with a Democratic Governor, they're going up in Pennsylvania.

Senator HUMPHREY. Maybe they're going up in Minnesota. I know they are. May I say that we can compensate for that in Minnesota with a Republican Governor. He's doing a fine job.

Senator SCOTT. He's only had a month—

Senator HUMPHREY. Leaving no one in second position. He's right out in front.

Senator SCOTT. He hasn't increased taxes though.

Senator HUMPHREY. Oh, yes. He's doing well. He's going to. But again, let's try to be informative here. The fact is that you can have a hundred and one items that enter into the cost of production of a particular finished item and no one can say that these finished items may not go up. All that Senator HUMPHREY is saying is that I don't believe that it is the duty or the responsibility

of Pennsylvania coal miners to subsidize Minnesota coal consumers. I don't believe that it is the duty of Minnesota farmers to subsidize Pennsylvania manufacturers or consumers. I am for all of it. And I think the job is to try to bring some equity—some reasonable degree of equity. Now one thing that we'll be able to do that may reduce the cost a little bit, Senator, is to get the cost of financing down which has been the biggest racket of recent years. We'll get the cost of interest payments down on homes, on automobiles, and on the public debt. That will be a whole lot more significant in savings, may I say, than trying to keep the cost of wheat down another 2 cents a bushel because the cost of interest. The fellow that invented that interest really got a hold of something, I want to tell you that.

Senator SCOTT. Yes; he was quite a man and he worked very well under Democratic administrations too. That's when he knew his greatest prosperity too, that old man.

DEATH OF K. C. LI

Mr. BIBLE. Mr. President, on last Tuesday, March 7, my State of Nevada, the United States, and the world at large lost an outstanding citizen with the sudden passing of K. C. Li, internationally known mining engineer and chairman of the Wah Chang Corporation. Just recently returned from a trip to the Middle East and Europe, as a member of the delegation planning the New York World's Fair in 1964-66, Mr. Li suffered a heart attack while working in his New York office.

"K.C.," as he was affectionately known to countless friends around the world, had extensive mining interests for many years in eastern Nevada and at Bishop, Calif. He was beloved by those who knew him, and respected by all for his wisdom and ability. He leaves behind a fine family who will miss him as will all of us who had the great privilege of getting to know this kindly, brilliant, and warm person whose passing leaves a void in the hearts of people from the deserts of Nevada to Brazil's high mountains and out to China and the wide Pacific.

I request permission, Mr. President, to have inserted in the Record at this point a brief biography of a great American, K. C. Li.

There being no objection, the biography was ordered to be printed in the Record, as follows:

Widely known as China's unofficial ambassador to the United States, Mr. K. C. Li, a naturalized American, was born in Changsha, China, in 1892. He was educated at Hunan Technical Institute, China, and at the Royal School of Mines, London, becoming a world authority on tungsten. Mr. Li discovered and developed the first tungsten deposits in China and shipped the first ore to this country in 1915.

Recognition came to him early as an expert in the field of minerals, when he was asked to serve as adviser on antimony to the Allied and British Governments during World War I, and as adviser on tungsten to the U.S. Government during World War II, being primarily responsible for providing the Allies with strategic materials, including tungsten. Mr. Li established the New York office of Wah Chang Corp. in 1916, expanding its operations to include the processing and production of molybdenum, columbium, tantalum, tin, zirconium, and hafnium. Wah Chang now has affiliates all over the world, and operates its own plants in Glen Cove, N.Y.;

Fairlawn, N.J.; Texas City, Tex.; Albany, Oreg.; and Huntsville, Ala.

During his long career, Mr. Li served as representative of the Chinese Ministry of Finance and Commerce, as adviser to the Chinese Embassy in Washington, and as a Chinese delegate to the Bretton Woods Conference. He was a director of the Commodity Exchange, Inc., of New York, and of Howe Sound, Inc.

K. C. Li served actively on the Council on Foreign Relations, and was a trustee of China Foundation for Education and Culture, and the China Institute in America, as well as holding membership on the development council of Rensselaer Polytechnic Institute and the visiting committee on Far Eastern civilizations at Harvard. He established the Li Foundation, and annually awards the K. C. Li Medal and Prize at Columbia University as well as scholarships at the University of Nevada for students excelling in mining engineering and research.

Long identified with civic affairs, Mr. Li had been a member of the Mayor's Reception Committee of the City of New York and of the Executive Committee of the United Nations Committee of the City of New York. At the time of his death, he was honorary president of the Chinese Chamber of Commerce of New York; general chairman of the New York-Tokyo Sister-City affiliation; and a director of the New York World's Fair Corp. Mr. Li was an important contributor to professional journals, as well as the author of Chinese textbooks on mathematics and other significant scientific documents.

Surviving Mr. Li are his widow, Grace; a brother, Tao Kai; three sons, Kuo Ching, Jr., John Choi, and Lien Yen; and five daughters, Mrs. Gordon Chun, Mrs. William Distin, Mrs. Rho-Hwa Ho, Mrs. Edward Leong Way, and Mrs. Alfred Wu. He was a member of many professional organizations, and belonged to Piping Rock and Creek County Clubs, among others.

PRESIDENT KENNEDY'S GREAT HOUSING PROGRAM

Mr. GRUENING. Mr. President, again the Nation is thrilled by a voice of vigor and vision sounding from the White House.

Yesterday, the President sent to the Congress an important message outlining a program to improve American housing.

I am pleased to note the Presidential recommendations for liberalization of FHA mortgage insurance; low-interest rate loans for rental and cooperative housing; and, especially, plans for increasing the availability of low-rent public housing. All of these are badly needed, and I shall, with enthusiasm, support the recommendations of President Kennedy.

To Alaska, the emphasis of the President on planning for urban centers and on the importance of careful utilization of land resources comes with particular significance.

Alaska is experiencing a population increase of exceptional proportions. The 1960 census shows that Alaska experienced an increase of population of more than 75 percent over its 1950 record. This is a statistic we expect to continue its present trend. The westward movement of Americans continues, and has reached the Last Frontier in a way that must be taken into account by my State, in connection with all aspects of community development.

Among other impacts of increasing population on Alaska is the effect on housing and community planning. These new Alaskans must find good housing, at prices commensurate with their income. A unique aspect of this objective in Alaska accentuates our need for Federal assistance. This is the notoriously high cost of living there. It is largely due to the high cost of maritime transportation, for which past Federal action is primarily responsible. I have often referred to this fact of economic life in Alaska; and, again, I make reference to the results of numerous economic studies which show that the cost of living in Alaska is the highest in the Nation. Construction costs are in keeping with other high costs, and are progressively higher as we proceed northwestward, along the course of transportation, from the Port of Seattle. Thus, costs of housing there are far beyond those of other States.

In order to develop, Alaska must attack on many fronts this problem of high living costs. Meanwhile, it must be taken into account in connection with all legislative proposals which affect my State. Liberal Federal assistance to Alaska to provide low-cost housing can be a major factor in normalizing the economy of the State. Thus, Alaskans are particularly desirous of having the legislation recommended by the President enacted as soon as possible.

As the population of Alaska increases, we must give more and more careful thought to planning the communities in which our people live. In the new State of Alaska, we have an opportunity to build model communities unblemished by the slums and dilapidated housing which are characteristic of the older urban centers. We can, with care, and with the help of the Federal Government, such as that proposed by President Kennedy, build beautiful new cities of which the entire Nation can be proud.

Beyond these desirable objectives, the President's housing program will provide sorely needed reemployment, not merely the building trades, but also in the factories where building supplies originate. Thus, enactment of this proposal into law will be doubly beneficial.

It is my hope that no time will be lost by the Congress in enacting the housing program which the President has presented, and in making a reality of the housing policy which the Congress proclaimed 11 years ago, and which President Kennedy describes as "a decent home and a suitable living environment for every American family."

HUNGARY AND TIBET MUST REMAIN ON UNITED NATIONS AGENDA

Mr. KEATING. Mr. President, I have been very much concerned by reports of efforts to eliminate the issues of Hungary and Tibet from the United Nations agenda. It is said that these questions and other cold war issues may be removed from the agenda until next fall's General Assembly meeting. Mr. President, this is such a serious step and so detrimental to the interests of the whole

free world that I think it would be disastrous.

Last night, I sent a telegram to United Nations Ambassador Adlai Stevenson urging that these issues remain where they are on the United Nations agenda, since they reveal so clearly the long-term designs of the Communist dictators. Basic principles are involved here. Cold war tensions have not been caused because free nations seek a full investigation and condemnation of these events. Quite the contrary—what has caused cold war tensions are the events themselves—the aggressive behavior of the Soviet Union and Red China. Hungary and Tibet are the most blatant examples to date of deliberate, long-range Communist disregard for human rights and for the authority of the United Nations.

There is no doubt that the problems in the Congo and the financing of Congo operations are of greatest urgency at the moment, but it is vital that ruthless instances of Communist aggression not be swept under the rug in an ill-conceived effort to appease the Communists. Any hopes that the Soviet Union will relent in its efforts to bring on a Congolese civil war by such yielding on the part of the United States are illusive and unworthy of the United States as leader of the free world. I certainly intend to do everything in my power to protest and resist such a policy.

I hope that I shall be joined in that position by others whom I know entertain the same views which I do on this important issue.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. JAVITS. I commend my colleague for his statement, which I think is timely. I think it is right and typical of him to have been perceptive of what is going on and what we need to do to stop the trend toward concentrating upon what might be the glowing issue of the moment and forgetting the deep moral issues which underline the cold war, and he brings us face to face with our fidelity to them.

I congratulate him.

Mr. KEATING. I thank my colleague from New York for those words, and I wish to say that we all know that he stands, as I do, firmly against anything that could smack of approaching appeasement with regard to the Soviet Union or Red China.

NATIONAL 4-H CLUB WEEK

Mr. STENNIS. Mr. President, National 4-H Club Week has just been observed. That is a time when more than 2,300,000 boys and girls of America move to the forefront in this most commendable organization.

Mississippi, a key State in the early organization of 4-H Clubs, proudly claims 106,000 boys and girls enrolled in 2,700 4-H Clubs. Coming mostly from the rural sections of Mississippi, these young people have exemplified a concerted effort to improve themselves and their communities.

Their 4-H Club motto is a credit to good citizenship for indeed it promotes

and encourages every 4-H Club boy and girl to strive for greater achievement in fulfilling the motto; "To Make the Best Better."

No county in Mississippi is without a 4-H Club whose youthful members are guided by dedicated adult leaders and volunteers in bringing about a healthier, happier people for all Mississippians.

As President Kennedy launches his own new Youth Peace Corps as a weapon of his New Frontier, I invite the President and members of the Senate to refresh their own knowledge of the wonderful work of 4-H Clubs in America.

Through active 4-H Club membership, rural youth have learned how to develop skills in many fields; they have obtained vast knowledge of new methods of farming; they have improved their herds and flocks, increased their production of corn, cotton, and soybeans; they have sharpened their awareness of good citizenship, developed leadership in public speaking; they improved their row crops and bake a better cherry pie, their personalities glitter where once they were obscure.

Their whole program is a bright one with a brighter future than ever before. We salute the 4-H Clubs of America on this special week.

Mr. MANSFIELD. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

Mr. MANSFIELD. Mr. President, what business is now before the Senate?

The VICE PRESIDENT. The unfinished business will not automatically be laid before the Senate until 2 o'clock; but in the meantime it can be taken up either by unanimous consent or by motion.

FEED GRAINS PROGRAM FOR 1961

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Senate bill 993, the unfinished business, to provide a special program for feed grains for 1961, be laid before the Senate for consideration.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana? The Chair hears none.

There being no objection, the Senate resumed the consideration of the bill (S. 993) to provide a special program for feed grains for 1961.

The VICE PRESIDENT. For the information of the Senate, the Chair will read the following:

The committee amendment is in the nature of a substitute. In such a case, under the precedents of the Senate, the substitute language is, for the purpose of amendment, considered as original text, and not as an amendment in the first degree. Therefore, the substitute is subject to amendment in two degrees—either by a perfecting amendment or by a substitute amendment.

The Parliamentarian suggests that this statement will put the Senate on notice.

Mr. MANSFIELD. Mr. President, is the bill now before the Senate?

The VICE PRESIDENT. Yes.

The question now is on agreeing to the committee amendment.

Mr. MANSFIELD. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

[No. 7]

Aiken	Engle	Miller
Allott	Ervin	Morse
Anderson	Gruening	Morton
Bartlett	Hart	Mundt
Beall	Hartke	Muskie
Bennett	Hayden	Neuberger
Bible	Hickenlooper	Pastore
Boggs	Hickey	Pell
Bridges	Hill	Proxmire
Burdick	Holland	Randolph
Bush	Hruska	Robertson
Butler	Humphrey	Russell
Byrd, Va.	Jackson	Saltonstall
Byrd, W. Va.	Javits	Schoeppel
Cannon	Johnston	Scott
Carlson	Jordan	Smathers
Carroll	Keating	Smith, Mass.
Case, N.J.	Kefauver	Smith, Maine
Case, S. Dak.	Kuchel	Sparkman
Chavez	Lausche	Stennis
Church	Long, Mo.	Symington
Clark	Long, Hawaii	Talmadge
Cooper	Long, La.	Thurmond
Cotton	Magnuson	Wiley
Curtis	Mansfield	Williams, N.J.
Dirksen	McCarthy	Williams, Del.
Dodd	McClellan	Yarborough
Douglas	McGee	Young, N. Dak.
Dworshak	McNamara	Young, Ohio
Ellender	Metcalf	

Mr. HUMPHREY. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Oklahoma [Mr. KERR], and the Senator from Utah [Mr. MOSS] are absent on official business.

I further announce that the Senator from Texas [Mr. BLAKLEY], and the Senator from Oklahoma [Mr. MONRONEY] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Hawaii [Mr. FONG], and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from Vermont [Mr. PROUTY] is absent by leave of the Senate because of illness.

The VICE PRESIDENT. A quorum is present.

The Chair recognizes the Senator from Montana.

INVESTIGATION OF MATTERS RELATING TO MIGRATORY LABOR—CALENDAR NO. 61, SENATE RESOLUTION 86

Mr. MANSFIELD. Mr. President, yesterday, during consideration of various resolutions from the Committee on Rules and Administration, the Senate passed over Calendar No. 61, Senate Resolution 86, relating to migratory labor. This appears on page 3331 of the RECORD.

The Daily Digest, however, shows this resolution to have been adopted. It does not appear on today's printed calendar of business. For the information of the Senate, however, I announce that the resolution was in fact passed over yesterday, and was not adopted.

It is the intention of the leadership

to consider this resolution at an early date.

AREA REDEVELOPMENT ACT

The Senate resumed the consideration of the bill (S. 1) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas.

Mr. MANSFIELD. Mr. President, after consultation with the distinguished minority leader and other interested Senators, I send to the desk a proposed unanimous-consent agreement and ask that it be read and considered.

The VICE PRESIDENT. The clerk will state the proposed agreement.

The Chief Clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Tuesday, March 14, 1961, at the conclusion of routine morning business, during the further consideration of the bill (S. 1) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 2 hours, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 6 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

Mr. JAVITS. Mr. President, reserving the right to object—and I shall not object—I wish to clarify two points:

First, must an amendment which is to be subject to this debate limitation, or entitled to the benefit of it, be now on the desk? May it be offered subsequently?

Mr. MANSFIELD. It may be offered subsequently.

Mr. JAVITS. The second question deals with a matter which has sometimes been called into question. I understand that the leaders may yield time from the time on the bill to debate a particular amendment, longer, perhaps.

Mr. DIRKSEN. That is provided for.

Mr. MANSFIELD. Yes.

The VICE PRESIDENT. Is there objection?

Mr. BUSH. I am sorry I was late. May I ask what the suggested agreement is?

Mr. MANSFIELD. It would limit the debate to 2 hours on any amendment or substitute, and to 6 hours on the bill;

and the limitation would start after the morning hour on Tuesday.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the order is entered.

FEED GRAINS PROGRAM FOR 1961

The Senate resumed the consideration of the bill (S. 993) to provide a special program for feed grains for 1961.

Mr. MANSFIELD. Mr. President, I am delighted that the distinguished ranking minority member of the Committee on Agriculture and Forestry and the chairman of that committee, the Senator from Louisiana [Mr. ELLENDER], are on the floor. I wish to announce to the Senate that there is a strong possibility that there may be a ye-and-nay vote on final passage of the feed grain bill. Does the Senator from Louisiana have anything to say on that subject?

Mr. ELLENDER. So far as I am concerned, I shall not ask for a ye-and-nay vote. If any other Senator desires to do so, that is his privilege, of course.

Mr. AIKEN. I do not know what may develop in the course of the debate. It is not my intention at this time to request a ye-and-nay vote.

Mr. KEATING. I shall be very happy to ask for the yeas and nays.

Mr. JAVITS. I ask for the yeas and nays.

Mr. BUSH. I make the same request.

The VICE PRESIDENT. The Chair understands this request to be for a ye-and-nay vote on final passage. Is that correct?

Mr. ELLENDER. Yes.

Mr. KEATING. Yes.

The yeas and nays were ordered on final passage of the bill.

Mr. MANSFIELD. The Senate is now on firm ground and on notice.

Mr. AIKEN. The reason why I said I would not request a ye-and-nay vote is that I believe the Senate bill is very much better than the House bill. The yeas and nays have now been ordered, and that is that. I should like briefly to speak on the bill itself.

The VICE PRESIDENT. The Senate will be in order. Those who desire to converse will please retire to the cloak-rooms.

Mr. AIKEN. Mr. President, the bill which is now before the Senate is definitely a more acceptable bill than the one which was passed by the House yesterday. I wish to give credit for its improvement to the chairman of the Committee on Agriculture and Forestry, who has done a great deal of work in trying to bring about legislation which will be as beneficial as possible and the least harmful as possible.

I do not believe that the bill as it is now written is going to do as much good as its proponents expect it will. On the other hand, the House bill contains section 3, which authorizes the Secretary of Agriculture to sell feed grains at 17 percent below the support price. The purpose of the provision, I believe, is to permit him to use that authority as a persuader to encourage more producers of feed grains to enter the program. However, that provision in the House bill

would be disconcerting to the grain market, to say the least. Some people even go so far as to say that it would be demoralizing. In the light of this sentiment, it was wise to leave it out of the Senate bill.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. PASTORE. We in Rhode Island use a considerable amount of feed grain in the poultry industry. Will the Senator from Vermont be good enough to inform the Senator from Rhode Island what effect the bill would have upon the consumers of Rhode Island?

Mr. AIKEN. That would depend on how charitable the poultry raisers of Rhode Island might be.

Mr. PASTORE. They are very charitable, but they have to pay the cost.

Would the price be higher or lower after the bill has passed than at the present time?

Mr. AIKEN. The purpose of the proposed legislation, and the purpose of other programs which have been set forth from time to time, is to raise the price of grain. How much that would be, I do not know. I have only estimated it for dairy feed. I would say that the increase in price would be a minimum of \$5 a ton, and probably a maximum of \$8 a ton. I presume the same increase would result for the poultrymen. If the poultrymen wish to absorb the additional cost, the effect on the consumer would be negligible. If they are not in a position to be charitable, and pass the cost on to the consumer, the price to the consumer would be increased.

Mr. PASTORE. Will it be any comfort to the senior Senator from Vermont to know that the Senator from Rhode Island is opposed to the bill and shall be recorded against it?

Mr. AIKEN. If I were the senior Senator from Rhode Island I would be opposed to it also. Being the senior Senator from Vermont, I am likely to follow the opinion of the senior Senator from Rhode Island. However, I do wish to say, in deference to the chairman of the committee, that the bill is much better than the House bill. I wish to say, in behalf of the Secretary of Agriculture, that he has resisted pressure from all sides and has tried to conduct himself fairly.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CASE of South Dakota. One observation which the Senator from Vermont has made perplexes me a little. I understood him to say that the pending bill is better than the present law.

Mr. AIKEN. No; it is better than the House bill, I said.

Mr. CASE of South Dakota. The particular question I wish to ask the Senator from Vermont relates to the language which appears at the bottom of page 7 of the Senate bill, and which reads as follows:

For the purposes of this subsection the average annual yield of each commodity shall be the average annual yield per harvested acre on the farm for the year 1959 and 1960, adjusted for abnormal weather conditions and other factors as determined under regulations prescribed by the Secretary.

I may say to the Senator that the crop year 1959 was not a good crop year in South Dakota. It was not an average crop year in South Dakota—1960 was—1958 was more nearly the average. If the factor of 1959 is balanced against the crop year 1960, we would not get an average result, particularly in the production of corn. In fact, it would be less than 50 percent of the average. I have obtained rather complete figures on this subject from the State agricultural committee. I should like to ask the distinguished Senator from Vermont, who is the ranking minority member of the Committee on Agriculture and Forestry, whether the term "adjusted for abnormal weather conditions" would place upon the Secretary of Agriculture the responsibility as well as the power to take into consideration the fact that the year 1959 would, as one of 2 years, result in a figure below the average?

Mr. AIKEN. It would place upon the Secretary a responsibility which he would have very great difficulty in carrying out. In fact, I believe the use of a 2-year average is bound to result in injustices in many parts of the country.

Both 1959 and 1960 were typical corn years. In parts of the country, such as the Senator's home State of South Dakota, one year was a good year, and the other year was not. I do not know how the Secretary of Agriculture will fulfill his responsibility and be fair to everyone.

In the committee, as the chairman will remember, I raised the point that we ought to take a 5-year period rather than a 2-year period, but the experts who were present pointed out that administratively, it would be almost impossible to do that in time for any legislation to take effect in the coming crop year.

If I may yield to the chairman of our committee without losing the floor, I should like to do so, because he may have something to say about this question.

Mr. ELLENDER. The language which the Senator from South Dakota read is similar to present law, and has worked pretty well. It gives the Secretary broad leeway in order to adjust the base yield to what would be produced on given acres normally.

Mr. CASE of South Dakota. Does the present law provide for the use of only 2 years?

Mr. ELLENDER. The present bill does provide for that. The reason is, as the Senator has just stated, that it would not be possible to go back 3 or 4 years. It would take too long to do that, and then in many instances, it would simply be guesswork.

Mr. CASE of South Dakota. Mr. President, may I, without forfeiting the right of the Senator from Vermont to the floor, address a question to the chairman of the committee?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE of South Dakota. I should like to ask the distinguished Senator from Louisiana, the chairman of the committee, whether the language "adjusted for abnormal weather conditions" places upon the Secretary both the

power and the responsibility to recognize the situation if one year or both years 1959 and 1960 were so abnormal as to result in bringing the 2 years below a longtime average.

Mr. ELLENDER. I feel certain it does. In other words, the purpose of the language is simply to give the Secretary the power to adjust production to what would be normally produced.

Mr. CASE of South Dakota. The power? What about the responsibility?

Mr. ELLENDER. I suppose they go together.

Mr. AIKEN. They go together, and they are very difficult to assume. In the final analysis, I assume the responsibility would lie with the duly elected representatives of the area affected.

Mr. CASE of South Dakota. The Senator has introduced a factor which seems rather encouraging. That is the suggestion that the Secretary, in exercising power and accepting responsibility, would give some weight and consideration to the facts as they would be developed in any State by the State committee.

Mr. AIKEN. I would expect the Secretary to make such a judgment. However, I do not know that the Secretary could base his allocations on the extremely favorable years for an area, either. I think he would have to average them.

Mr. CASE of South Dakota. It would work both ways. We are seeking what would be a truly average condition.

Mr. AIKEN. I feel certain the Secretary would try to fulfill his responsibilities fairly. It would be an almost superhuman task for him to carry out all his responsibilities without committing injustices somewhere, however, because he has only a few weeks in which to work.

Mr. CASE of South Dakota. I realize it is a difficult matter; but I hope we may establish by these interrogations a history of the legislation in the way in which it has been here developed—that is, that the Secretary would have both the power and the responsibility to attempt to assess abnormal conditions and reach a fair average result.

Mr. President, I ask unanimous consent that following the conclusion of the remarks of the Senator from Vermont I may place in the RECORD a letter and figures, as supplied to me by the State committee for South Dakota, which show how abnormally low 1959 was, and also the figures for 1960 and 1958, to the extent that they are available.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. AIKEN. I think the assumptions of the Senator from South Dakota are sound. I am certain that the Secretary will take them into consideration and will deal as fairly as is humanly possible with the farmers in all the grain-growing areas.

Mr. CARLSON. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield to the Senator from Kansas.

Mr. CARLSON. The Senator from South Dakota has raised the issue of large areas where there are crop losses

and crop reductions in a particular producing year. I wish to call attention to the problem in smaller areas where losses occur by reason of hail damage. Does the Senator from Vermont believe that the State committee—and we might even go clear back to the county committee—will be permitted to make some individual adjustments for farms in an area where unusual destruction was caused by hail, something which is not a usual occurrence?

Mr. AIKEN. The ultimate responsibility would rest with the Secretary, but I am satisfied that he would have to rely on the State, county, and local committees for the information necessary to make a determination. I cannot conceive of his not taking into consideration a loss of yield due to hail storms or for other reasons over which there was no control.

Mr. CARLSON. I appreciate the statement of the Senator from Vermont.

Mr. AIKEN. I feel certain the Secretary would take such factors into consideration, and I am also sure that under the law he would be required to do so.

Mr. CARLSON. This discussion should be helpful in advising State and county authorities. After all, the matter gets right down to the county committees.

Mr. AIKEN. I think the discussion will be helpful to the Secretary.

Mr. CARLSON. I am sure it will; but I hope some consideration will be given to this problem, because it can be quite damaging in some areas.

Mr. CASE of South Dakota. Mr. President, the point which the Senator from Kansas raises is very important. Is it not correct to say that in the application of the law, the averages are determined on a county basis, and not on a statewide basis?

Mr. AIKEN. I believe that is correct.

Mr. CASE of South Dakota. On that assumption, the conditions described by the Senator from Kansas clearly should be taken care of.

Mr. AIKEN. Yes, because hail storms are seldom statewide; they are countywide.

Mr. KEATING. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. KEATING. The junior Senator from New York and, I feel certain, the senior Senator from New York, both rely heavily upon the judgment of our close and favorite friend, who is sometimes called the agricultural Senator from New York, the distinguished Senator from Vermont [Mr. AIKEN].

I did not hear fully the reply made by the Senator from Vermont to the Senator from Rhode Island about the effect of the bill on the consumer. Is the Senate bill better than the House bill, which in the judgment of the junior Senator from New York was something of a monstrosity? Furthermore, is the Senate bill an improvement over present law? I would appreciate it if the Senator from Ver-

mont would address himself to these two questions.

Mr. AIKEN. I would not say that the bill would not result in increased costs to the consumers. If farm prices rise, it is only natural that the prices to the consumers will be raised; possibly to the same extent, possibly to a greater extent, possibly to a lesser extent—although improbably to a lesser extent. However, the income of the farmers has been out of line on the low side for a long time, and we know that the average earnings of farm people have not kept pace with the earnings of people engaged in other occupations, although probably they have been a little more favorable in specialized farming. In effect, the farmer has been subsidizing the consumer in the past.

I do not believe the bill will accomplish all that its advocates think it will. With the supply of farm products that is now on hand, I doubt whether there will be any material increase in prices to the consumers, but there will be some.

Mr. KEATING. I do not wish to interfere with the Senator's trend of thought. I realize that the consumer is not the only one to be considered. However, in the State of New York, as the Senator knows, the interests of the consumers are extremely important. From the point of view of the farmer, it is my understanding that the farm problem does not relate simply to corn and feed grains; tremendous amounts of wheat also are stored by the Federal Government. Why is it that we now are asked only to vote upon feed grains?

Mr. AIKEN. If the Senator from New York wants to know my real opinion, it is because the wheat situation probably is a little too formidable to be taken up on short notice.

Mr. YOUNG of North Dakota. Mr. President—

Mr. AIKEN. The Senator from North Dakota, who is on his feet, will, I believe, agree that it is a very formidable situation.

Mr. YOUNG of North Dakota. Mr. President, if the Senator from New York will permit me to answer the question—

Mr. KEATING. Certainly, because information is what we are seeking.

Mr. YOUNG of North Dakota. There is nothing we can do about this year's wheat crop, because the price program was set last July, in last year's referendum. We have until about June to change next year's program.

But if we want to do anything about feed grains, we have to do it now; in fact, it may now be a little late.

The price of corn, in the heart of the corn-producing area, has dropped from about \$1.60 a bushel, 8 or 10 years ago, to 85 or 90 cents a bushel, last year. But because of the effective work done by you folks in the New England area, the prices of dairy products are about as high as they ever were due to the price supports and marketing orders.

Mr. KEATING. Mr. President, I am not sure that the Senator from Vermont and I would entirely agree with the Senator from North Dakota; but I appreciate his clearing up the uncer-

tainty as to why the measure before us deals with only one part of the total farm problem.

I read with great interest the views of the distinguished Senator from Kentucky, which are attached to the report.

Let me ask the Senator from Vermont—and I again point out that all of us in our part of the country look to him for advice. Am I correct in understanding that he opposed this bill and voted against reporting it out of committee.

Mr. AIKEN. I did.

Mr. KEATING. Does he share some of the views expressed by the Senator from Kentucky; or are they in some disagreement?

Mr. AIKEN. I think the Senator from Kentucky is on sound ground when he states that a farmer raising perhaps only 10 acres of corn might find himself in an uneconomic situation if he reduced those 10 acres to 7 acres—as he would be required to do under the present wording of the bill.

Mr. COOPER. Mr. President, will the Senator from Vermont yield?

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from Vermont yield to the Senator from Kentucky?

Mr. AIKEN. Mr. President, I have promised to yield to the Senator from West Virginia [Mr. BYRD]. But if the Senator from Kentucky desires to speak to the point raised by the Senator from New York, I shall yield now to the Senator from Kentucky, and then to the Senator from West Virginia.

Mr. COOPER. I shall be glad to wait.

Mr. AIKEN. Then, Mr. President, I yield now to the Senator from West Virginia.

Mr. BYRD of West Virginia. I thank the Senator from Vermont.

Mr. President, this bill may contain some benefits for farmers who produce cash feed grains, but it would have an adverse effect upon the larger number of producers who feed livestock and poultry.

Producers who use the feed grains produced by them to feed their own livestock or poultry would obtain no benefit from the bill. They would have no incentive to participate in the program. They would not receive the benefit of price support, and they might be required to purchase feed if they participated in the acreage reduction.

Poultry and milk producers who must buy feed would, of course, have their costs increased by this bill to the extent that it may succeed in its objective. The bill would raise the required corn support level for 1961 from about \$1.05 a bushel to \$1.20 a bushel; the grain sorghums support level from about \$1.52 a hundredweight to \$1.88 a hundredweight; oats from about 50 cents a bushel to about 62 cents a bushel; and barley from about 77 cents a bushel to about 93 cents. There has been a great deal of discussion about the cost-price squeeze that has been experienced in recent years. This bill would intensify that squeeze on the West Virginia poultry and dairy producers.

It has been argued that low feed prices mean low poultry prices and low dairy prices, and that the bill is intended to stabilize feed prices, and poultry prices and dairy prices, as well. Stabilization of feed prices might help to stabilize poultry and dairy prices, although such mutual stability does not always occur. However, the bill would not stabilize feed prices, but would unstabilize them by raising support prices above existing levels, to the disadvantage of producers who must buy feeds and have made their production plans upon the basis of existing price levels and feed stocks.

There are a great many poultry products in the eastern part of West Virginia, and there is considerable dairy production in West Virginia. I believe this bill would be detrimental to those poultrymen and those dairymen; and I intend to vote against the bill, on the final rollcall.

I thank the distinguished Senator from Vermont for yielding to me.

Mr. AIKEN. Mr. President, the Senator from West Virginia has stated clearly the reason why the Senator from Vermont voted against reporting the bill favorably from the committee. As the bill was reported from the committee, with no executive action on the part of the Secretary, the bill would have severely penalized dairymen, livestock feeders who do not raise their own feed, and, particularly, poultry producers. Inasmuch as no executive action had been taken, I voted against the bill.

In fact, I do not think the bill is going to do what its advocates think it will, anyway.

I wish to say—and my saying it may save a little discussion on the floor, if I announce it now—that I had offered an amendment on dairy price supports, and it was printed. It would establish for the 1961 marketing year a support price for manufacturing milk at \$3.35 a hundredweight, and for butterfat at 62 cents a pound. I had intended to offer that amendment today.

However, I am advised that either this afternoon or certainly not later than tomorrow morning—but probably this afternoon—the Secretary of Agriculture will announce the new support prices for dairy products, and they will be very satisfactory prices. They will offset, I am sure, the increased cost to the dairymen which this bill would induce when it becomes law, if it works. If it does not work, it would not make much difference.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. AIKEN. So, Mr. President, this afternoon I expect the Secretary will announce the support levels for manufacturing milk and butterfat for the rest of this year. Therefore, since those levels will be satisfactory, I shall not offer the amendment which I had printed.

However, that is not going to help the poultryman or the cattle feeder or the turkey raiser who does not raise his own feed; he still will have the problem to meet. In other words, the money

will be taken away from the poultryman and will be given to the feed grower.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. AIKEN. Mr. President, I do not know to whom to yield first; but I think the Senator from Minnesota was on his feet some time ago. After yielding to him, I shall yield next to the Senator from Florida, and thereafter I shall yield to the Senator from Kentucky—in that order.

Mr. COOPER. I thank the Senator.

Mr. HUMPHREY. First, Mr. President, in view of the concern the Senator from South Dakota—who is not now in the Chamber—had over counties being involved in the yield, in averaging out the yield, I wanted to say that that is provided for in the bill, and he does not need to be too much concerned about that.

Mr. AIKEN. Yes.

Mr. HUMPHREY. And I think the Senator from Vermont was very helpful in the discussion on that particular point.

But I wanted to direct my remarks to my good friend, the Senator from West Virginia. I know that a lot of dairy products and a lot of chickens are produced in West Virginia; but, without being unkind, I wish to say that I think more are produced in Minnesota. The price of broilers in my State, this year, has been at levels such as have not existed since the depths of the depression; and hundreds of chicken raisers were going out of business, one after another.

Furthermore, Minnesota is one of the largest egg-producing States in the Union; and Minnesota is the second largest turkey producing State in the Union—exceeded only by California. I saw the price of feed grains, for feeding turkeys and chickens, at unprecedented lows since the days of the depression, and farmers in the turkey business and in the broiler business were going out of business by the hundreds.

Let me say there is a relationship between a fair price for feed and a fair price for broilers and a fair price for turkeys and a fair price for ducks and a fair price for eggs—for farm production of that kind; and it is not an unconscionable price.

We are trying to say that we like to buy cheap and sell high; that those who are in areas where the producers do not produce enough feed to take care of their poultry would like to have feed as cheap as they can possibly get it, and would like to sell their poultry for as high a price as they can possibly obtain.

Let me say very frankly that the poultry industry in this country has suffered because of low feed prices, not high feed prices.

The egg industry has suffered because of low feed prices, not high feed prices. The bill offers a reasonable balance. I am with the Senator from Vermont—I am not sure this bill is going to do all that its advocates think it is going to do. I think it is highly problematical as to

whether it will. But I do not think anybody can justify some of the farmers in our country, as in my State, producing wheat and oats for 40 cents a bushel.

I heard the Senator from North Dakota talk about corn. I saw top grade corn sell in Minnesota for 80 cents a bushel, and I did not see a chicken raiser get rich—not one. I saw good poultry sell for 8 or 9 cents a pound. I saw grade A eggs selling for 18 cents a dozen.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. HUMPHREY. I do not have the right to yield the floor.

I say to the Senator from West Virginia, please do not oppose the bill on the basis that because it may result in an increase in feed prices to the chicken growers in his State, therefore he should vote against it. I predict that if we get feed prices on a reasonable basis—not at a high cost, but lower than it has been before—the result will be beneficial, because when cheap feed grains are available, everybody goes into the chicken and turkey business, and the next thing we know, everybody is losing money.

Mr. AIKEN. Mr. President, I do not think I can yield for general debate, under the rules. I hope when I yield it will be for very short statements. But I know how entrancing a discussion of agricultural programs is. The situation has not changed much in the last 20 years. Also, views have not changed too much in the last 40 years. If one reads the debates of 40 years ago, I think he will find the same arguments were made then.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I said I would yield to the Senator from Florida next.

Mr. HOLLAND. I will try to be mindful of the suggestion just made by the distinguished Senator from Vermont.

Will the Senator advise us whether or not an advance in the support price for processed milk products would be helpful to dairies in large parts of the Nation that produce milk for sale as liquid milk, rather than for milk products?

Mr. AIKEN. I think the result of raising the support price for manufacturing milk and butterfat will have the effect of bringing the prices of milk produced for manufacturing purposes more nearly in line with blended prices paid in the marketing order areas than they are now.

The reason why there is such a wide diversity in the price of milk paid in different areas is that in certain parts of the country the price for manufacturing milk will drop in the spring of the year. The price of class I milk, or milk for home consumption, does not vary to any marked extent across the country nor is it affected seasonally as much as manufacturing milk. I think it is probably as high in Florida as anywhere. I would say the price of class 1 milk is \$1 more per hundredweight there than in Chicago or Minneapolis or Boston.

Mr. HOLLAND. My impression has been, from talking with dairymen in Florida—and I know this applies to many areas where milk is produced for

consumption as milk or cream—that they are not helped in any way by an increase in the support price for milk for manufactured milk products, such as is proposed, and that if this bill were passed, they would be confronted by an increased feed cost without having any commensurate relief of the type mentioned by the Senator from Vermont, which would grow out of the increased processed milk products price. Am I correct in that statement?

Mr. AIKEN. The Senator from Florida is absolutely correct, if his State does not intend to produce manufacturing milk. Dairy farmers in his State sell a large percentage of their milk as class I milk, and, naturally, their blended price is higher. I think the dairymen of Florida have less to gain than the dairymen of almost any other part of the country by having the support price for manufacturing milk raised.

Mr. HOLLAND. Will the Senator follow that statement by saying the dairyman of Florida would have more to lose?

Mr. AIKEN. His costs will go up, if this bill should work.

Mr. HOLLAND. I thank the distinguished Senator.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. HUMPHREY. Does not a milk marketing order take into consideration costs? Milk marketing orders are the reason why the price of milk in Florida is high.

Mr. AIKEN. I do not know what the milk formulas call for over most of the country. In the Boston marketing area, the price of grain is given one-sixth of the total weight. So if the feed price went up \$6 a ton, the dairyman, under the formula, could recover \$1.

Mr. HUMPHREY. The change varies in different parts of the country.

Mr. AIKEN. The price of feed grain may have a large weighting in Florida.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. HOLLAND. So far as the Senator from Florida knows, there is only one milk marketing agreement in Florida, and that is in the Miami milk shed marketing area; but the milk prices for Orlando, Tampa, Jacksonville, St. Petersburg, Pensacola, and various other areas are not affected by milk marketing agreements. I think that situation is general throughout the South and throughout the West, and that the dairy people in large parts of the Nation would be adversely affected by an increased cost of feed, without having any benefit whatever from the proposed change in the support price of milk for processed products.

Several Senators addressed the Chair.

Mr. AIKEN. I yield first to the Senator from Kentucky [Mr. COOPER]. Then I shall yield to the Senator from Ohio [Mr. LAUSCHE], and then the Senator from West Virginia [Mr. BYRD].

Mr. COOPER. I thank the Senator. I hope my questions will not be long, but, because of the inquiry directed by the Senator from New York [Mr.

KEATING], I think I shall have to explain the amendment I proposed in my separate views included in the committee report.

I hope I may have the attention of the chairman of the committee [Mr. ELLENDER]. I voted to report the bill, and I shall vote for the bill. We owe a great debt to the chairman of the committee for the work he has done on the bill.

I suggested, in my individual views, that to induce more farmers to enter the program, because it is a voluntary program, we should provide that farms which produced no more than 30 acres—my amendment will be changed to 20 acres—could include their entire production of 20 acres under the terms of the bill. As reported, only a 30-percent acreage reduction could be made.

The reason I make this proposal, may I say to the Senator from New York and to members of the committee, is to make acreage reduction economic and attractive to small farmers—and reduction is the purpose of the bill. I obtained the latest available statistics from the Bureau of the Census. They showed that in 1954 more than one-half of our farms produced less than 20 acres of corn. About 2,800,000 farms produced corn in that year—and 1,600,000 of the total had corn acreages of 20 acres or less.

If I may argue my case for a moment to the members of the Agriculture and Forestry Committee, and to the chairman, I think we all agree that if this bill is to work—it being a voluntary bill—it must induce farmers to cooperate, and withdraw feed grains acreage from production. We know that farmers are intelligent and must look after their best interests, as is proper. They will choose to enter a farm program, if it is good farming to do so. We have only to remember that in 1958, when we passed a corn bill, farmers looked that bill over, and, as several of us had predicted on the floor, instead of lowering production, they raised production. Corn production in 1960 was nearly 600 million bushels above production in 1958, the year we passed the bill.

We must ask, what in this bill will induce farmers to cooperate? The administration has urged its method in section 3 of the House bill. It would coerce cooperation by threatening to lower the price on surplus stocks.

I do not believe this should be permitted. It could be a coercive measure, on the part of the Federal Government, and would absolutely contradict the voluntary character of the bill.

A second way, which I propose, would secure, I believe larger cooperation from small farmers. As I have said, more than one-half of the corn farms produce less than 20 acres. My proposed amendment would say to these farmers, "you may put your entire acreage under the bill's provisions." It may be uneconomical for such a farmer to reduce his 20 or 15 acres by 30 percent. The amendment I propose, permitting any farmer to reduce production by 20 acres or by 30 percent, whichever is largest, would be of great help.

I will offer such an amendment and I hope the distinguished chairman will consider it. I say to Senators that unless there is some way to induce the farmers, in good sense and for practical reasons, to enter the program, we may end, as we did in 1958, by paying the costs of this program, with no reduction in production.

I believe my amendment will provide one inducement. The House adopted such an amendment. I hope the chairman will consider it.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Ohio.

Mr. LAUSCHE. I should like to pursue further the thought raised by the Senator from Kentucky, whether the provisions of the bill recommended by the Secretary of Agriculture are of a nature which will make participation voluntary or compulsory.

I read the report and I read the testimony which was given before the committee. Repeatedly it was emphasized, with respect to the House bill, that the virtue of the bill resided in the fact that the farmer was at liberty to participate or not to participate. The Secretary of Agriculture in testifying emphasized that fact.

Based upon this, I assume the proponents recognize the significance of freedom of action on the part of our farmers. They wish the farmer to be free. They do not wish to have the farmer placed in a strait jacket. Therefore they said, "This is a voluntary plan."

However, in reading the House report I find certain language on page 8, the subparagraph identified as 4:

The Commodity Credit Corporation would be authorized to sell during the marketing year for the 1961 crop, at current market prices, as much grain as the successful management of this feed grain program requires.

Then there is this startling statement:

The knowledge that these stocks could be placed on the market would encourage producers to participate in the program rather than gamble on market prices.

The question is, Is it a voluntary program or is it one under which subtle coercion and compulsion are to be practiced? In the one breath it is said:

We will allow you to enter if you wish, or to remain out.

In the next breath it is said:

But if you do not enter we will dump into the market surplus feed grains to such an extent that they will depress the market price and compel you to participate.

Mr. AIKEN. I reply to the Senator from Ohio by saying that that provision is not in the Senate bill at all, as reported by the committee. The Senator refers to section 3 as a subtle means of coercion to force farmers into the program. I would amend that by saying it is not so subtle a means. It is not very subtle at all. It is in the original bill for the purpose of forcing farmers into the program, when otherwise they would not participate, by saying, "If you go ahead and raise your crops without cooperating in the program we will put the

price so low that you will lose money on what you raise."

It is as simple as that.

Mr. LAUSCHE. In other words, when the "voluntary" label is attached to the proposal, it is sought to mislead the farmer, because in truth this is a compulsory, straitjacket program, and in effect it is declared, "Unless you join we will ruin you by the prices which you will get while you remain outside the operation of the proposal."

Mr. AIKEN. The Senate committee did not approve that proviso. The chairman strongly opposed it. I do not believe there was much support for it. There may have been some support, but it was not very vocal.

Mr. LAUSCHE. I understand that, and I am in thorough concurrence.

There is one further thought I should like to express, if the Senator from Vermont will yield further.

Mr. AIKEN. I yield.

Mr. LAUSCHE. If we begin to compel a farmer, as a part of his right to operate, to enter this program, and thus have him regulated by Government, does it not follow that the time will come when we will apply compulsion to other segments of the economy by trying to fix the floor of income and the ceiling of income?

Mr. AIKEN. When one resorts to compulsion one cannot stop with a single class of farmers. It is very doubtful that one could stop with farmers.

Mr. LAUSCHE. Am I correct in my understanding that the House bill which has been passed attempted to soften the impact of the compulsion by saying, "We will not dump absolutely everything and let the market seek its level. We will not permit the dumped goods to be sold at less than 83 percent of the support price fixed at \$1.20."

Mr. ELLENDER. The Senator is correct.

Mr. AIKEN. Mr. President, without losing my right to the floor, I yield to the chairman of the committee, who, I think, wishes to reply.

Mr. ELLENDER. That is the provision in the House bill. It has been softened to the extent the distinguished Senator from Ohio has mentioned; no grain could be sold for less than 83 percent of the support price.

Mr. AIKEN. Yes.

Mr. LAUSCHE. However, I say to the Senator from Louisiana that in principle, though a floor has been established, the program still involves compulsion.

Mr. ELLENDER. I would judge it to be so.

Mr. AIKEN. That is the purpose, I believe.

Mr. LAUSCHE. I wish to leave one thought with the Senate, if the Senator from Vermont will yield further. There is far greater significance in the provisions of the House bill than is generally understood. The bill contemplates putting a straitjacket on the farmer, by saying, "Unless you join this program, we will so manipulate the prices that you will be compelled to come in and accept what we propose, whether you wish to do so or not."

This proposal deals with liberty. I suggest to those who are promoting it

that they are meddling with one of the fundamental liberties about which we have spoken in our country.

I commend the Senator from Vermont for the position which he has taken in regard to the bill.

Mr. AIKEN. As I said to the Senator from Ohio before, it would be a not so subtle form of persuasion.

Mr. LAUSCHE. I used the word "subtle." I think it is insulting to the farmers.

Mr. AIKEN. It had a purpose.

Mr. HOLLAND rose.

Mr. AIKEN. Does the Senator from Florida desire to have me yield to him at this time? I rose to speak for possibly 10 minutes. I could conclude my remarks, and then yield the floor.

As I started to say, the bill before us is decidedly better than the one which was passed by the House yesterday. As I said before, I give the chairman of the committee a great deal of credit for the improvement. However, I do not believe even this bill would be workable. If it did work, it would be bound to raise prices and costs to dairymen, poultrymen, and livestock feeders who do not produce their own grain. It may be that prices should be raised to consumers. I think the farmer has been subsidizing consumers for a long time, and it is about time to equalize the burden.

I am a little disturbed, however, that in considering the farm situation, we are continually resorting to superficial remedies of temporary conditions rather than taking into account the long-range, basic problems which we must face. As has already been pointed out, the situation today is that there is a huge supply of wheat in this country. I think we could well reduce our supply of wheat by a billion bushels and still have safe reserves left over. It may be that at this time we have a surplus of possibly 500 million bushels of feed grains, primarily corn and grain sorghum. But I do not look on that surplus as alarmingly as some people do. We are increasing our use of feed grains in this country by more than 200 million bushels a year. We are now feeding at the rate of about 450 million bushels of grain a month. Suppose we have 500 million bushels more than a normal safe carryover in this country. That amount represents only a month of feed supply at existing rates of feeding.

It has been pointed out that there are very large supplies on hand today. Of course there are. We must have such supplies, because between now and next November we shall probably feed in the neighborhood of 3¾ to 4 billion bushels of the grain which is now on hand, and that use will not make us look so bad off.

Certainly we have not more than 2 or 3 months' supply over and above what would normally be a safe requirement on hand at the present time.

As the Senator from North Dakota has pointed out, we are considering the feed bill at the request of the administration before we consider the wheat bill, because much of the wheat is already planted, and if legislation can be enacted quickly, we might do something about reducing the feed supply in this country for the coming year.

The bill has for its purposes, first, to raise the price of feed grains, and second, to retire land in order to prevent the production of possible surpluses. I use the word "possible" because I am not at all sure that there will be surpluses. We have just gone through two of the finest grain growing seasons that this country has ever known. There have been bad spots, such as in the Dakotas in 1959, I believe, because of drought. We shall have bad spots in other years; but we have gone through two of the finest growing seasons we have ever known.

The bill provides that in return for a farmer taking 30 percent of his grain acreage out of production, he will receive part payment in kind and part payment in cash.

I worked out some figures, with which I shall not burden the Senate. I do not think the grain grower himself will do any more than break even by participating in this proposed program, but that could be a matter of opinion.

I should like to talk for the next 5 minutes or so about the effect upon our entire economy of drastic reductions in farm production of this country. I am frankly scared of any proposal that seeks very heavy reductions in the production of our farm commodities. Suppose we cut our grain production 30 percent; suppose we cut all farm production a certain percentage; such action would not affect merely the 10 percent or less of the people who produce these crops on the farm; it would affect approximately one-third of the entire labor force of this country, because that percentage of our labor force is engaged in processing and distributing food and fiber supplies for our cities. That is why the consumer is dependent on the farm.

If it were not for the farm market, we would find unemployment reaching terrific proportions at this time. In spite of the fact that practically all our meats and poultry products are transported by truck today, 15½ percent of the tonnage carried by railroads is made up of farm commodities.

With respect to gas and oil, not only is a good share of the transportation of gas and oil to the farm, but 13 percent of all petroleum products used in this country are used on the farm today.

Two years ago 43 percent of all the cargo carried by our merchant marine consisted of farm commodities. Today that percentage is undoubtedly near 50 percent.

Hundreds of thousands of people are engaged in the processing, handling, packaging, and merchandising of farm commodities. So let us have it in mind that when we cut down drastically on the production of farm commodities, we are not only cutting down on the 10 percent of the people who live on farms, we are cutting down on approximately 35 percent of our entire population in this country.

I should like to say something about the effect of grain prices on livestock production.

Last year, after the good crop year of 1959 with unlimited production we had sufficient increase in feed grains in this

country so that in 1960 the support price of corn dropped from \$1.12 to \$1.06 a bushel. One might have believed that that decreased price would encourage increased feeding of meat animals and other stock. What happened was this. Cattle numbers did increase 1 percent, but the top market in Chicago yesterday, I noticed, was \$28 a hundred—not too bad. But hog numbers were reduced 6 percent. From January 1, 1960, to January 1, 1961, hog numbers went down 6 percent, notwithstanding the lower costs of corn.

In the same year sheep numbers went down 1 percent and chickens were down 3 percent.

Since my friend, the Senator from Minnesota [Mr. HUMPHREY] has mentioned turkeys, I invite his attention to the fact that the turkey producers are apparently the culprits in this picture, because on January 1 they had evidently responded to low grain prices and had 21 percent more turkeys on hand than they did the year before.

However, adding the entire meat supply together, the indications now are that the per capita supply of meats in this country for this year will be one pound less than it was last year. So anyone can give any answer he choose to that problem. But certainly lower prices last year did not over-encourage meat production, at least fast enough to keep up with the increase in population.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. BUSH. Will the Senator state to what the one pound that he referred to relates? What would be the magnitude of production?

Mr. AIKEN. I am reading from my notes, which say that the per capita meat supply in the 1961 meat production went down 1 percent from the 1960 level. In 1960 the supply of meat available to the average American was 161.7 pounds. In 1961 the Department's experts believe that the figure will drop 1 pound or more.

Then I have a note which states that this should be very discouraging news to the unemployed and the low income people who are struggling hard enough now to get money with which to pay for a little meat. I will not burden the Senator with the rest of my notes. However, we do have a meat situation which indicates that we had better go very slow in reducing the production of feed grains in this country.

Some people say we have too much grain. The President sent a message to Congress on the 16th of February in which he said:

The existing program has failed. It has resulted in accumulating burdensome and dangerous surpluses mainly of commodities for which there is no adequate demand even under our expanded programs of providing food for those in need.

That statement was in the President's message. By coincidence, on the same day, another message was sent to Congress by the Secretary of Agriculture, in which he asked for authority to export \$2 billion worth more of our surplus food commodities overseas between now and

the 31st of December 1961, believing that the \$2 billion worth was needed to fill orders which we might get from overseas. This food would be sold under title I of Public Law 480, of which my friend the senior Senator from Kansas was the original sponsor, I believe.

If we have no further outlet for these commodities anywhere, it would hardly seem necessary to ask for authority to sell \$2 billion worth more of them overseas.

I believe that the Secretary, rather than the President, is right, and that there is a market for these commodities overseas so long as they are sold on terms that make it possible for countries in need to purchase them from us. Those terms, of course, should be long-term payments, or possibly we should take payments in the currency of the countries involved. Even if we take foreign currency in payment we would still have tremendous amounts of foods for which we would otherwise appropriate dollars to spend in those countries. So it appears that there is a market overseas. I do not believe we should be talking about a 30 percent reduction in feed grains, when the requirement for them is growing.

I have talked with people from other countries. They are trying desperately to produce enough food for their needs. They do not understand our making so much fuss because we have all we need and a little besides. They realize that the independence of people depends on having enough food.

If anyone needs any proof of that statement, it can be pointed out that in every country in the world in which the government controls the people, there is a food shortage today. It is all very well to say we should starve them into rebellion against their government. It does not work out that way. People who are hungry do not rebel against their government. Russia is having a food shortage today and cannot supply enough meat to go with potatoes, cornmeal, and so forth. China is having desperate trouble because of a shortage of food. No government ever had any greater control over its people than the Chinese Government has over its people. That statement can also be made with respect to Cuba.

So I say that a country which has plenty of food or has all it needs and some besides, is far less likely to fall under the control of a totalitarian government than a country which has barely enough, or possibly has a little shortage of food.

The President pointed out in his message that if we do not do something to cut production, we will have to provide storage for 200 million to 250 million bushels more of feed grains. What is wrong with that? We would have to do that anyway, because we are using 200 million to 250 million bushels more each year. We have a great deal of grain, and we must have a place to store it. To object to having grain because it requires storage space is like saying we should do away with money because it requires our buying pocketbooks to put the

money in. The same line of reasoning seems to apply.

We are a growing country. As we grow we must have more storage. The storage business is a multibillion dollar business. It is not only corn storage that we are concerned with. There is also cold storage, and other forms of storage.

If we want to bring food supply and demand into balance in this country, it is possible to do it without resorting to compulsion or anything of that kind. We can do it by seeing to it, for example, that all the needy and deserving people in America are not deprived of adequate diets merely because they are poor and needy. If I remember correctly, I read in the papers yesterday that there are 6 million families in this country who have an income of less than \$2,500 a year, which would mean something like \$700 per capita.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. BUSH. I remember that when a similar agricultural bill was before the Senate recently it was estimated that the carrying charges on surplus commodities were \$500 million a year, or approximately \$1½ million a day. Is the Senator in a position to tell us whether that figure has gone up?

Mr. AIKEN. That is probably true. That is a charge against the taxpayers. If the taxpayers were not paying it, private industry would be paying it.

Mr. BUSH. That is, if we had the surplus.

Mr. AIKEN. Yes. I have brought the storage business into the picture to show what a tremendous business it is in this country. The storing of surplus commodities for the Federal Government is only a small part of it.

Mr. BUSH. Does the Senator believe that if the bill is passed it would have the effect of reducing the heavy burden of the storage problem, or increasing it?

Mr. AIKEN. I doubt if there would be much of a change because of the passage of the pending bill. If we give the Secretary of Agriculture the authority to dispose of \$2 billion worth of surplus commodities—

Mr. BUSH. That is another matter, though.

Mr. AIKEN. To countries overseas, that would reduce the need for storage in this country. I do not know how much storage the Senator has in his State. In some States it is quite considerable in amount. A good many people in some communities depend on that business. If it were decreased, there would be a good many people who would be writing to their Senators and Representatives urging them not to ruin their communities.

Mr. BUSH. I would be glad to turn in our storage business if everyone else would turn in his, and we could get rid of the problem.

Mr. AIKEN. I rather think that the per capita loss from storage would not mean as much to Connecticut as it would to other States, although I believe the Senator's State does have much cold storage business.

Mr. BUSH. On the other hand, our share in carrying it on a per capita basis is one of the highest.

Mr. AIKEN. I believe there are three ways in which we can bring supply and demand into balance and keep them in balance: First, by making certain that all the needy and deserving people in America are not deprived of adequate diets simply because they are poor and needy. Next, we can sell a reasonable part of our so-called surpluses to people in other lands on generous terms of payment. And, third, we can continue our research into the fields of utilization where the potential market is still strong and underdeveloped. I am certain that further development can be made in that field.

If we really want to improve farm income, we can enact legislation which will stop the merciless harassment of farm cooperatives by the Department of Justice whenever farmers try to use their bargaining power to an effective degree.

We all know that whenever farmers try to reduce the spread between themselves and the consumers, they promptly find themselves haled before the bar of justice. Sometimes their competition goes before the bar of justice, but whenever a business is charged with unfair competition, it pays a \$5,000 fine and then goes on to do a \$5 million business. Farmers cannot do that.

We can broaden our Marketing Agreement Act so as to give farmers an opportunity to use their bargaining power, which they would normally have, and which they normally ought to have.

If we go too far in the direction of restricted farm production, we can take a few billion dollars off our gross national product. We can put 2 or 3 million more people out of work. But we cannot improve our economy by walking backward.

Mr. KEATING. Mr. President, will the Senator from Vermont yield? I should like to address two or three inquiries to the Senator from Vermont, who is so very well informed on this subject, before he concludes his remarks.

Mr. AIKEN. I yield.

Mr. KEATING. I previously asked the Senator about the feed grain bill from the point of view of the consumer and from the point of view of stock, dairy, and poultry producers. From his replies, I gained the impression that the bill would have an adverse effect on them. There is a question as to the extent. Now I wish to ask the Senator about the corn farmers themselves.

It is my recollection that corn farmers never accepted—indeed, they voted against—acreage allotments for their crops. Is not that correct?

Mr. AIKEN. As I recall, in the last year acreage allotments were in effect, actually only about 8 percent of all corn plantings was in compliance with acreage allotments. Of course, they did not have a marketing penalty. But there was only a small percentage of them who complied with the allotments.

I believe the corn situation has improved materially. In fact, in 1960, according to the Department of Agriculture, the net income of the corn pro-

ducers was up materially. I have felt, since we enacted legislation affecting corn and cotton 2 years ago, that we ought to give both those programs a chance to be tried, particularly the cotton program. I know there have been some changes in the cotton support program. I am a little fearful of the result, because we have recovered our cotton business in the world and in this country, too. I certainly hope that no action which has been taken will have any adverse effect upon the cotton industry of this country, but my fingers are crossed.

Mr. ELLENDER. Mr. President, will the Senator from Vermont further yield, to permit me to add to what he has said with respect to the corn bill?

Mr. AIKEN. I yield to the Senator from Louisiana for that purpose.

Mr. ELLENDER. The corn farmers not only did not comply; they would never accept strict acreage controls, as was the case with cotton, tobacco, rice, and peanuts. One of the bad things which has occurred in the last 4 or 5 years is that even noncompliers were given a good support price. In the case of cotton and other commodities, a penalty was imposed. However, in the case of corn, when acreage allotments were in effect noncompliers received a support price only slightly lower than compliers.

The point I wish to emphasize is that the corn growers have never tried, in my humble judgment, to make the law work as we intended it. Even noncompliers, as the Senator from Vermont has pointed out, had no penalties imposed; instead, they were paid a fair support price.

Mr. KEATING. I have a parochial interest in consumers and also in poultry and dairy producers, who are of such great importance to the economy of my State. This question does not affect the economy of my State, but my recollection is that the corn farmers themselves voted against virtually the very program which the bill will institute. Am I incorrect?

Mr. ELLENDER. The Senator from New York is incorrect. What happened was that 2 years ago the law was changed and provided for a support price equal to 90 percent of the average of the last 3 years, with no acreage limitations, and, of course, with a minimum of 65 percent of parity.

Mr. KEATING. I am happy to have this matter clarified.

Mr. COOPER. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. COOPER. I think that what the Senator from New York may be thinking of is that after we passed the corn bill in 1958, a referendum was held among the farmers, and they voted against allotments.

Mr. AIKEN. But are we not providing allotments in the bill?

Mr. COOPER. No.

Mr. ELLENDER. Not necessarily. It is optional; it is a voluntary program.

Mr. AIKEN. We are giving farmers the right to put plantings in the soil bank, up to 30 percent of their average planting of the last 2 years. In fact, if they put any of their planting in the soil bank, they will have to put in 30 percent.

Mr. KEATING. Why is this a 1-year program? Is it simply a test program? Why is it for only 1 year?

Mr. AIKEN. I have the feeling that the President plans to send to Congress a message requesting certain long-range programs, and the bill now being considered is in the nature of a stopgap. With respect to the support price for manufacturing milk, which the Secretary of Agriculture will announce, I expect this afternoon, the dairy farmers in New York undoubtedly will be quite happy. In the case of the New York dairymen, the increase in the price of manufacturing milk will more than offset the increased cost due to this bit of proposed legislation, assuming it becomes law.

Mr. KEATING. Does the Senator think that the action expected to be taken this afternoon by the Secretary of Agriculture is in any way significant in connection with the timing of our voting on the bill.

Mr. AIKEN. Several Members of the Senate have for some time been urging the Secretary to reach a decision, because we felt that the longer he delayed, the more the dealers would profit, and the less the farmers would get from any possible price increase.

Mr. KEATING. I think an increase in the dairy price support is desirable. The industry is hard pressed, but it will be harder pressed if the feed grain bill passes. I wondered whether the timing of this action was a mere coincidence, or whether it had some connection with our action on this bill. I am naive about these things.

Mr. ELLENDER. If the Senator from Vermont will permit me to answer the question further, I do not think the expected action by the Secretary has anything to do with the action being taken on the bill, because the price of grain may go up if we pass the bill, and the Secretary necessarily will have to take that fact into consideration in fixing the price of raw milk.

Mr. KEATING. But the price of grain will not go up if we do not pass the bill.

Mr. ELLENDER. The Senator made a statement a while ago about the vast amount of feed grain which was disappearing in comparison with the past 2 years. I placed in the RECORD yesterday a statement indicating that the total disappearance from 1955 to 1961 has increased by 25 percent.

Mr. AIKEN. We are using a billion bushels more a year than we were 4 years ago.

Mr. ELLENDER. But the total supply has increased at the rate of 42.6 percent, and the carryover for 1961 will be in the neighborhood of 2 billion bushels of corn only, in contrast to a 1954-58 average of 1,200 million.

So this bill seeks to curtail the production or prevent the production of more of these grains, because increased production—that is to say, to have a greater supply—would further aggravate the situation.

It is my considered judgment—and I have had 25 years of experience on the Committee on Agriculture and Forestry—that if we keep piling up these

feed grains to such excesses, that will be an invitation for more people to go into the poultry business and will invite more people to go into the turkey business, and will invite more people to go into the cattle business, and that will result ultimately in hurting those who now are in those businesses. I think there is no doubt about that. The record has shown that in the past.

That is why I am so anxious to put this bill through, so that we can curtail the production of feed grains to the extent of, let us say, 500 million to 700 million bushels this year. If we can reach that goal, then we can soon pass a bill—probably before May—that would put corn and other feed grains on the same basis as is the case with cotton and other supported crops. By that, I mean simply this: If a corn producer desires to have price support from the Government, he should be willing to curtail his acreage to the extent necessary, so as to put supply and demand more in balance.

Mr. AIKEN. Mr. President, following what the Senator has said, I wish to state that I am not even afraid of a 2-billion-bushel grain surplus in this country, when we are using it at the rate of nearly 500 million bushels a month. At that rate, 2 billion bushels is only a 4-month supply ahead. I would far rather take a chance on a 2-billion-bushel surplus than on a 200-million-bushel shortage. The former is much safer.

Mr. KEATING. Mr. President, will the Senator from Vermont yield, so that I may comment on the remarks of the Senator from Louisiana?

Mr. AIKEN. I yield.

Mr. KEATING. I have great respect for the long tenure of the Senator from Louisiana as chairman of the committee and as an expert in this field. But it seems to me he makes a curious argument when he says this bill is good because it will make going into the poultry business or into the dairy business so unattractive that others will not go into it, and therefore it will keep in that business those now in it, because it will raise the price of feed to the poultry raisers. The Senator from Louisiana thinks that by raising the price of feed to the poultry raisers and making it a less attractive industry, others will not go into that industry.

Mr. ELLENDER. It will keep others out; that is the point.

Mr. KEATING. It seems to me that is a peculiar line of reasoning.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield, so that I may ask a question?

Mr. AIKEN. Mr. President. I have the floor. If I may yield for the purpose requested, without losing the floor, I shall be glad to have the Senator from Delaware [Mr. WILLIAMS] impart wisdom to the Senator from New York.

Mr. WILLIAMS of Delaware. I wonder whether the Senator from Louisiana would also feel that if we were to enact a law which would double the price of fertilizer that is used for cotton, that would solve the cotton surplus problem.

Mr. KEATING. I wonder how the Senator from Louisiana would comment on that point.

Mr. WILLIAMS of Delaware. If we accept the line of reasoning that we can control the price of poultry by raising the price of feed, and thus make the poultry business unprofitable, does the Senator from Louisiana think that, similarly, we could, by enacting a law which would double the price of fertilizer that is used for cotton, solve the cotton problem?

Mr. ELLENDER. I think the two are not comparable.

Mr. WILLIAMS of Delaware. Mr. President, I think the only difference between them is that one affects Louisiana and the other affects some other areas.

Mr. ELLENDER. I think the Senator from Vermont has served on the committee for almost as long a period as I have.

Mr. AIKEN. For 4 years less.

Mr. ELLENDER. When the price of feed grains decreases ultimately the business is less attractive to the poultry producers or to the dairy producers; there is no doubt about that.

This bill will curtail the production of feed grains for this year, and will try to get it more in line with demand. After this bill is enacted, it is our hope to pass another bill—a long-range bill—which would create a situation whereby we could reduce the feed grain acreage to the point where we shall try to keep supply and demand more in line. That is what we are trying to do. If we do not do that, the feed grain market will continue to deteriorate, and prices will continue to go lower and lower; and that is bound to invite more people to go into the pig-raising business and the poultry-raising business, and is bound to demoralize the entire livestock industry, in my humble judgment. There is no doubt about that, in my mind.

We often hear it said, "The cattle people are making out fine, because of the price supports." But if it were not for the fact that we have a program to stabilize the price of the grain, there would be no telling what the price of beef would go down to. But the fact that we have a stable price on the commodity those animals consume has a tendency to stabilize the prices in that industry. And that is what we are trying to do in this case.

In other words, as I pointed out a while ago, the increase in total disappearance from 1955 has been 25 percent, but the increase in the total supply has been 42.6 percent, so that the carryover has been increasing constantly each year.

Let us consider the increases in the past few years. The carryover was 1,202 million bushels for the period 1954-58. In 1958, it was 1,470 million bushels. In 1959, it was 1,530 million bushels. In 1960, it was 1,789 million bushels. And in 1961, it was 2 billion bushels. Unless we stop that trend, the price of grain is bound to be depressed, and in that event there may be more and more farmers going into the business of raising poultry and raising cattle or

what-have-you; and in my opinion that will demoralize the whole industry.

Mr. AIKEN. Well, we had a need for more than a billion bushels of additional carryover, just to take care of the increased use in the last 5 years.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. WILLIAMS of Delaware. I should like to comment on the remarks of the Senator from Louisiana. I still feel that if his line of reasoning—namely, that the situation can be cared for by raising the cost of production of a commodity—is correct, and it is true of one, it is true of another, and if it will work for feed grains it will work for cotton by raising the price of the fertilizer that is used for the production of cotton. But I disagree with the Senator's reasoning on both.

I believe that if the Senator will examine the historical record of these commodities he will find this to be true: The poultry industry has been in the process of increasing its production in the last 6 months of 1960 and in 1961. Why are those producers increasing their production? They are doing so because in the preceding 12-month period that business was profitable and they were making money; and inasmuch as they were making money from the production of eggs and inasmuch as the price of eggs was higher and the price of broilers was higher, they increased their production.

By the same line of reasoning, why did the prices go down a couple years ago? They went down then because those producers were operating at full capacity. Then they began losing money—they cut back their production, and then prices stabilized.

I venture to say that, with or without the enactment of this bill, even though the price of corn is raised to \$1.20, which would increase the cost of feed, we will find an increased production on hogs and turkeys next year—not because of the increase or decrease in the cost of feed, but because there has been profitable production in the past year, and, human nature being what it is, the farmers will increase their production. That is the reason why there will be increased production, and not because of any superiority of the wisdom of any bureaucrat in Washington.

Mr. AIKEN. The Senator from Delaware was not present in the Chamber when I referred to the increase and decrease in production of meat animals. As the Senator from Delaware knows, the support price of corn was dropped from \$1.12 to \$1.06 for the year 1960; but on January 1, 1961, in spite of the low price for grain, cattle numbers had increased only 1 percent, and hog numbers had dropped 6 percent, coincidentally with the lower price of feed. Sheep numbers were down 1 percent and chicken numbers were down 3 percent.

Mr. WILLIAMS of Delaware. That is the point I am making. Hog and pork prices having been at a profitable level for the past 12 months, I venture to

say, even with the enactment of this bill and the raising of the support price of grain and feed prices thus, being increased, we will still find increased production next year. If the farmers then lose money they will in the succeeding years cut back production again.

Someday Congress is going to wake up to the fact that the law of supply and demand cannot be regulated out of Washington, either on agricultural commodities or in any other field, and the more we attempt to do this the greater will be the loss to the taxpayers and to the very industries we are trying to help.

Besides these points, we must not overlook the fact that the great danger inherent in this bill is its trend toward Government control over American agriculture. For that reason alone the bill should be defeated.

I do not think the two factors will be found to be related, except that, as feed prices are raised and cattle or hog operations become unprofitable, and as those farmers are forced into semibankruptcy, they will be forced out of business, just as, if title 3 were put back into the bill, as the Senator from Vermont pointed out before, the Secretary of Agriculture could force American farmers under the program, with the alternative of their going bankrupt if they stayed out.

Mr. AIKEN. I yield now to the Senator from New York.

Mr. JAVITS. Mr. President, I was interested in the extent of the price increase in milk and butterfat contemplated by the Secretary of Agriculture. The Senator said it would take up the increased cost of feed which is contemplated by the bill. Would it also take up the increased price which the producers have been strongly contending for to make their operations profitable?

Mr. AIKEN. I could not answer the Senator from New York with any great degree of accuracy. I must say that I have not used my pencil in ascertaining whether the increased support price for manufacturing milk which the Secretary said he would announce this afternoon would more than offset the increased cost of dairy feed, assuming the bill works as its sponsors hope it will work. So it is very difficult to answer the question.

I am sure the support level which the Secretary will announce will make the dairymen of New York State quite happy, because in New York there is class C milk, as the Senator knows, which goes down to pretty low levels during a few months of the year. I think the dairymen of New York State will be happy on that score, and they will find that the blended price for New York will come into line with the price received in New England and other areas much better than it has in the past few months.

Mr. JAVITS. I thank the Senator for that information. I am confident

the Senator's influence has been very strong, in a constructive way, in this whole effort.

What does the Senator assume will be the price to the ultimate consumer as a result of the increase? I ask that question because in New York our milk producers in the milkshed are in one part of the State. Then there are the large cities, which are full of milk consumers. We must make a constant effort to hold a balance between the two.

Mr. AIKEN. The support price will not apply to class I milk, which is the milk delivered to the consumer's doorstep or to restaurants. It will be applied to manufacturing milk, which, in effect, when we get down to class C, is surplus milk. The Secretary also will set a price for butterfat, but I would not expect that the consumer will find any great change in the price of butter, because butter has held up in price. It went up half a cent yesterday in New York. It was in the neighborhood of 62 cents per pound and it has been close to that all winter long. Now we are coming into the flush season when the price would normally drop 3 or 4 cents a pound.

I should say that the effect of the Secretary's order would be to prevent a sharp drop in the price to the farmer, rather than an increase in price to the consumer. At least, I hope it will work that way.

Mr. JAVITS. The Senator knows how persons like myself greatly respect his views on this subject. Notwithstanding the Secretary's proposed action, the Senator is still opposed to this bill, and feels that it is an improvident and unwise way in which to proceed. Is that correct?

Mr. AIKEN. I think the Secretary's action this afternoon in fixing prices for manufacturing milk will soften the effects of this bill. However, I voted against the bill in committee. The poultrymen and the cattle feeders who do not raise all their own feed will still be left on the outside, in a pretty vulnerable position to suffer losses. Therefore, in order to be in a consistent position, I expect to vote against the bill. However, I give the Secretary credit for having tried to do a good job. I give the chairman of the Senate Agriculture and Forestry Committee credit for having greatly improved the situation over what it might have been. We will hope for the best.

Mr. JAVITS. I should like to identify myself with the views of my colleague.

Mr. AIKEN. From the standpoint of our geographical position, I feel that the bill still would affect us adversely rather than improve the situation.

Mr. JAVITS. When the Senator says "affects us adversely," and "improve the situation," he means that the bill and the Secretary's order, taken together, on balance, will affect us more adversely than if we did not have either. Is that correct?

Mr. AIKEN. Poultry raising is a very important industry in the Northeast. We also fatten a great many cattle and buy corn for that purpose. So I think, all facts considered, in spite of higher support for manufacturing milk, we probably would not be in an improved situation. However, I give the Secretary and the chairman of the committee full credit for having improved the legislative situation materially; and my opposition to the bill, I must say, is not as strong as it was yesterday or the day before.

Mr. KEATING. Mr. President, will the Senator yield for one other comment on that particular point?

Mr. AIKEN. I yield.

Mr. KEATING. The increase in support price for dairy products will not help the poultry people, will it?

Mr. AIKEN. Not a bit.

Mr. KEATING. It seems to me significant, let me say in reply to the argument made by the distinguished Senator from Louisiana, that I have not received any mail or communications from the poultry producers saying that they want to see this bill passed. The poultry raisers know the facts, and they know that to raise feed costs is detrimental to their position, notwithstanding the position taken by the Senator from Louisiana that the proposal to raise the price will keep other people out of the poultry business. I do not think that is an argument which the poultry producers will accept.

I thank my friend from Vermont.

Mr. AIKEN. Mr. President, I have used the 8 or 10 minutes I announced I would use when I rose. I now yield the floor.

EXHIBIT 1

SOUTH DAKOTA CROP AND
LIVESTOCK REPORTING SERVICE,
Sioux Falls, S. Dak., February 28, 1961.

Hon. FRANCIS CASE,
U.S. Senate, Washington, D.C.

DEAR SENATOR CASE: Yield data on feed grains requested in your wire to Mr. Roy Potas are enclosed. However, 1960 county estimates are not yet available. Tentative yields for 10 representative counties for 1960 are shown. The 3-year and 5-year average yields are shown only for these 10 counties and the State. The 1960 county estimates will be sent to you as soon as they become available.

Yield data for corn are shown separately for corn for all purposes and for grain. The yield of corn for all purposes includes an allowance for corn harvested for silage or forage adjusted to an equivalent grain yield. County yields of corn for grain are not available prior to 1958; therefore the 5-year, 1956-60, average is shown only for the State.

Only district estimates of grain sorghum were prepared prior to 1959. County estimates for 1959 have been prepared for the central, east central, south central, and southeastern districts only.

We are glad to be of service to you.

Very truly yours,

FLOYD E. ROLF,
Agricultural Statistician, Acting in
Charge.

County and district	Corn: Yield per harvested acre, South Dakota, 1958 and 1959 by counties; preliminary 1960, 1956-60 average, and 1958-60 averages for selected counties										Oats: Yield per harvested acre, South Dakota, by counties, 1958, 1959-1960, 1956-60, and 1958-60 averages for selected counties					Barley: Yield per harvested acre, South Dakota, by counties, 1958, 1959-1960, 1956-60, and 1958-60 averages for selected counties				
	Corn for all purposes ¹					Corn for grain					1958	1959	1960 ²	1956-60 Average	1958-60 Average	1958	1959	1960 ²	1956-60 Average	1958-60 Average
	1958	1959	1960 ²	1956-60 Average	1958-60 Average	1958	1959	1960 ²	1956-60 Average	1958-60 Average										
Butte.....	37.0	51.0				33.0	66.5				38.0	27.0				27.5	22.0			
Corson.....	15.0	7.5				16.0	11.0				32.0	11.5				23.5	8.5			
Dewey.....	16.0	7.5				17.0	12.0				38.0	12.5				30.0	8.0			
Harding.....	17.0	10.0				18.0	15.0				37.5	19.0				29.0	12.5			
Perkins.....	14.5	8.5	8.0	12.4	10.3	15.0	15.0	16.0		15.3	34.0	15.5	22.0	23.1	23.8	24.0	13.0	18.0	17.3	18.3
Ziebach.....	12.5	7.0				13.0	11.0				32.0	10.0				26.5	8.0			
Northwest district total.....	16.9	12.1				18.5	11.9				34.6	15.0				25.9	11.7			
Brown.....	22.5	9.0				23.0	10.0				45.0	13.0				34.0	8.5			
Campbell.....	20.0	14.0				20.5	17.0				37.0	20.5				24.0	12.0			
Edmunds.....	19.5	7.0				20.0	9.5				39.0	12.0				34.0	7.5			
Faulk.....	19.0	6.0				19.0	8.0				42.0	8.0				30.0	6.0			
McPherson.....	19.5	9.0				20.0	10.5				42.0	15.0				30.0	10.5			
Potter.....	21.5	7.0	14.0	19.0	14.2	22.0	9.0	19.0		16.7	48.0	10.0	41.0	31.3	33.0	34.0	10.0	29.0	21.9	24.3
Spink.....	19.5	7.5				20.0	9.0				37.0	10.0				27.0	7.5			
Walworth.....	24.0	9.0				24.5	10.5				45.0	17.5				30.0	12.5			
North Central district total.....	20.9	8.3				21.4	10.1				41.7	13.5				31.1	8.8			
Clark.....	18.5	18.0				19.0	19.0				39.0	15.0				31.0	9.5			
Codington.....	18.0	19.0				18.5	21.0				42.5	14.0				30.0	9.0			
Day.....	17.0	6.0	24.0	22.1	15.7	17.5	8.0	26.0		17.2	43.0	11.0	44.0	31.5	32.7	34.0	9.0	30.0	23.3	24.3
Deuel.....	34.5	26.5	38.0	35.0	33.0	35.0	28.0	39.0		34.0	51.0	27.0	50.0	40.3	42.7	41.0	19.0	34.0	28.4	31.3
Grant.....	34.0	17.0				34.5	19.0				53.5	17.5				37.0	10.5			
Hamlin.....	28.5	18.0				28.5	19.5				47.0	19.5				35.0	16.0			
Marshall.....	22.0	14.0				22.5	15.0				45.0	18.0				33.0	11.0			
Roberts.....	28.5	17.5				29.0	18.5				52.5	21.0				40.0	16.0			
Northeast district total.....	25.7	17.5				26.3	19.7				46.6	18.7				33.3	11.3			
Haakon.....	13.5	9.0				14.0	14.0				32.0	19.0				36.0	14.5			
Jackson.....	15.0	7.0				16.0	12.0				29.0	18.0				30.0	13.5			
Lawrence.....	23.0	11.0				23.5	16.0				39.0	17.5				25.5	13.5			
Meade.....	16.5	9.0				17.0	15.0				35.0	13.0				29.0	13.5			
Pennington.....	14.5	7.0	5.5	12.5	9.0	15.0	9.0	9.0		11.0	32.0	13.5	24.0	23.4	23.2	27.0	12.5	16.0	16.0	18.5
Stanley.....	14.5	9.0				15.5	13.0				38.5	18.0				28.0	16.5			
West-central district, total.....	15.4	8.5				16.0	12.6				33.9	15.5				29.7	14.4			
Aurora.....	22.5	11.0	27.0	24.2	20.2	22.5	13.0	29.0		21.5	32.0	10.5	43.0	24.6	28.5	27.0	9.0	32.0	19.4	22.7
Beadle.....	21.5	12.0	22.0	21.0	18.5	22.0	13.5	24.0		19.8	34.0	12.5	35.0	25.3	27.2	26.0	10.0	25.0	17.9	20.3
Brule.....	21.0	9.5				21.0	11.0				32.0	9.5				27.0	10.0			
Buffalo.....	22.0	7.5				22.5	10.5				40.0	9.5				29.0	14.0			
Hand.....	20.5	8.0				21.0	9.0				38.0	10.5				25.0	5.0			
Hughes.....	16.0	5.0				16.5	7.0				35.0	12.5				30.0	6.5			
Hyde.....	20.5	7.5				21.0	10.0				41.0	7.5				33.0	7.5			
Jerauld.....	25.5	16.5				26.0	17.5				34.0	9.5				27.0	9.0			
Sully.....	15.5	8.5				16.0	11.5				40.0	9.0				26.0	6.0			
Central district total.....	20.5	10.2				21.0	12.7				35.3	11.3				26.8	9.4			
Brookings.....	29.0	24.5				29.0	24.5				46.5	24.5				37.0	19.5			
Davison.....	27.0	9.0				27.5	9.5				35.5	9.0				29.5	9.0			
Hanson.....	30.5	8.5				31.0	9.0				35.5	8.5				32.5	7.0			
Kingsbury.....	34.5	30.5				35.0	30.5				48.5	27.0				34.0	19.5			
Lake.....	33.5	29.0				34.0	29.0				42.5	26.0				32.5	16.0			
McCook.....	28.5	20.0	42.0	32.0	30.2	28.5	20.5	43.0		30.7	34.5	17.0	48.0	29.2	33.2	32.0	12.0	36.0	24.3	26.7
Miner.....	22.5	13.5				22.5	14.5				34.0	14.0				28.0	12.0			
Minnehaha.....	34.5	38.0				35.0	38.0				39.0	33.5				33.0	28.0			
Moody.....	34.0	32.0				34.5	32.0				45.0	30.5				39.0	22.0			
Sanborn.....	27.5	16.0				28.0	17.0				34.0	11.0				30.0	12.0			
East Central district total.....	31.0	25.1				31.4	26.8				40.1	23.4				33.0	18.0			
Bennett.....	24.0	15.0				25.0	17.0				38.0	21.0				20.0	19.0			
Custer.....	30.0	33.0				15.5	40.0				28.0	21.0				20.0	14.0			
Fall River.....	31.0	30.0				33.0	32.0				35.0	16.0				31.0	15.5			
Shannon.....	20.0	10.0				20.5	14.0				36.5	22.5				20.0	18.0			
Washabaugh.....	18.0	8.0				18.5	11.0				25.0	14.5				21.5	15.0			
Southwest district total.....	26.1	20.2				26.2	24.4				33.8	19.9				23.2	17.2			
Gregory.....	30.5	14.0				30.5	14.5				32.0	13.5				28.0	13.0			
Jones.....	14.0	8.0				14.0	10.0				35.0	14.5				25.0	17.0			
Lyman.....	22.5	8.5				23.0	10.0				33.0	9.5				30.0	10.0			
Mellette.....	23.0	9.0				23.5	12.0				35.0	9.5				23.5	10.5			
Todd.....	19.0	7.0				19.4	9.5				32.0	10.0				20.0	8.5			
Tripp.....	30.0	10.5	19.0	21.8	19.8	30.0	11.0	21.0		20.7	35.0	11.5	39.0	24.7	28.5	28.0	12.0	34.0	19.6	24.7
South Central district total.....	27.3	11.3				27.9	12.7				33.5	12.4				26.9	12.3			
Bon Homme.....	32.5	27.0				33.0	27.5				31.0	22.5				28.5	19.5			
Charles Mix.....	23.5	11.0				23.5	12.0				31.0	12.0				27.0	9.5			
Clay.....	36.0	38.0				36.5	38.0				39.0	36.5				36.0	28.0			
Douglas.....	24.0	9.0				24.5	10.0				30.0	10.0				25.2	7.0			
Hutchinson.....	30.0	13.0				30.5	14.0				32.5	14.5				31.0	11.5			
Lincoln.....	29.5	35.5				29.5	35.5				37.0	33.5				31.0	30.0			
Turner.....	38.0	28.5				38.5	29.0				35.0	28.0				29.5	22.0			
Union.....	41.5	44.5				41.5	44.5				42.5	37.0				32.0	29.0			
Yankton.....	34.5	34.5	48.0	36.0	39.0	35.0	34.5	49.0		39.5	36.5	29.0	42.0	31.4	35.8	30.0	24.5	24.0	23.8	26.2
Southeast district, total.....	31.7	26.4				32.1	29.9				34.3	24.7				30.2	21.5			
State.....	27.0	19.5	32.5	28.0	26.3	28.0	24.0	35.0	30.2	29.0	39.0	20.0	41.0	31.0	33.3	30.5	13.5	30.0	22.5	24.7

¹ Includes corn harvested for silage or forage adjusted to an equivalent ear-corn basis.

² Preliminary for counties.

Source: South Dakota Crop and Livestock Reporting Service, Feb. 28, 1961.

Mr. JAVITS. Mr. President, I have expressed, in my colloquy with the distinguished Senator from Vermont, my opposition to the pending measure. I do not believe that it is saved by the proposal of the Secretary of Agriculture, about which we have heard, and which is justified on the grounds of trying to do what we can to increase the support prices for dairy products, for which we have been contending and working together for a long time. This involves a demand which is quite different from demands which might be created by the terms of the bill. This has been clearly and excellently expressed by our colleague from Vermont.

It is estimated that the passage of the bill could cost our dairy farmers in New York \$275 million a year in increased feed bills. What the Secretary of Agriculture intends to do we do not know, but certainly we do not wish to contribute further to the pillaring of costs, when it is either unwise or improvident, simply to attempt to meet needs or to provide equity in situations quite apart from what would happen under the terms of the bill.

So, Mr. President, I shall vote against the passage of the bill.

In addition, I think it is fair to say that for many years we have been pursuing policies which do not seem to be leading to a balanced and viable farm program. Very largely this is attributable to the "single shot idea," wherein we do not recognize in passing legislation—although I know the distinguished members of the committee and the distinguished Senators who have been speaking recognize it—the interrelationship of the various elements to each other.

I believe it would be very much in the interest of the people in my State—who mainly are interested in dairying, poultry raising, and other branches of agriculture so vital to our State's economy—before we ask them to foot any bills, to see what the whole scheme looks like in terms of its interrelationship, in so far as it affects these farm products and in so far as it affects other products.

For that reason, in addition to the others I have mentioned, I shall vote against passage of the bill.

Mr. DIRKSEN. Mr. President, the Senator from Indiana [Mr. CAPEHART] is out of the city, but he desired to have considered an amendment which was offered for printing under the rule on March 8. I call up the amendment now. I have no particular desire to discuss it. I have discussed it with the chairman of the committee, and he may have something to say at this particular time.

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following new section:

SEC. 3. Notwithstanding any other provision of law, with respect to the marketing year for the 1961 crop of any feed grain commodity for which price support is made available under this Act, the Commodity Credit Corporation shall not sell any such commodity at less than 25 per centum above

the current support price for such commodity, plus reasonable carrying charges.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. ELLENDER. Mr. President, as chairman of the committee I am opposed to the amendment, which really would have the effect of killing the bill. The only provisions of the committee amendment as now written, providing for the disposition of feed grains by the Commodity Credit Corporation are those which provide for payment in kind for diverted acres.

Under the law as it would stand, if this were to pass, the Commodity Credit Corporation could sell corn and other feed grains only if the price thereof were 105 percent of the current support price plus carrying charges, which in this case, if the bill is enacted, would be about \$1.26, if the sale fell within the exceptions of section 407 of the 1949 act.

What this amendment seeks to do is to increase the CCC selling price to the point that corn would probably have to sell for \$1.60 before any of it could be disposed of. I am sure the members of the committee as well as the Senate would not wish to have that occur.

Mr. DIRKSEN. Mr. President, I should like to make the RECORD clear that I have indicated no particular position on the amendment. Since the request was made that it be offered, I have talked it over with the chairman of the committee. The Presiding Officer can put the question, because I am not interested at the moment in discussing the amendment further.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN] on behalf of the Senator from Indiana [Mr. CAPEHART].

The amendment was rejected.

Mr. HUMPHREY. Mr. President, we have had a very good discussion today with respect to the pending legislation, the so-called feed grains bill, and in the moments that I shall speak, I wish to try to set the RECORD straight, as I see it, in reference to some of the comment that has been made today. First, we ought to remember that the legislation with which we are dealing is emergency legislation, in order to provide a price support structure and controls over production of feed grain for this crop year.

I was pleased that the Senator from North Dakota [Mr. YOUNG] responded to the Senator from New York on the question of wheat, because the quotas for wheat, the acreage, and the price support levels have already been set for this year's production, and there is nothing we could do by legislation this year that would affect the wheat program for the crop year 1961. It is my hope that we shall have a wheat program before the Congress, and one that is better than the present program. I have been given to understand that this is the purpose and desire of the Secretary of Agriculture and the President.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HRUSKA. I understand that a long-range farm bill has been prepared and is in the White House at the present time. It apparently was destined for transmittal to Congress earlier this week, and it is being withheld for some reason. Is the Senator from Minnesota informed on that question?

Mr. HUMPHREY. I understand that very serious consideration is being given to a long-range farm bill. I have been told that a message will be forthcoming on such a program.

I think we would all be well advised to remember that the new administration has been in office only since the 20th of January, and that to present an overall long-range farm bill relating to this complex farm economy in a hurry would, in my mind, be less than wise and might very well lend itself to a good deal of misunderstanding or misinterpretation.

Mr. HRUSKA. I appreciate that point, but the voices through the press were to the effect that there was a bill, that it was ready to be transmitted, that the decision to transmit it was countermanded, and it was being held presumably until the instant bill had been acted upon by Congress.

Mr. HUMPHREY. I do not believe there is any relationship.

Mr. HRUSKA. It occurred to me that it would be helpful to Senators, as it would have been helpful to Members of the other body, to know whether or not that long-range bill was in that situation, and what it contains, in a general way.

Mr. HUMPHREY. In responding to the Senator from Nebraska I should like to say that any long-range farm bill which would be sent down and would include items of feed grains would surely have had no effect upon this year's crop, because we could not possibly process and pass a long-range farm bill in this Congress between now and March 15, 16, or 17, or the period of time that would be required.

Mr. HRUSKA. No; and that situation is understood by the Senator from Nebraska. On the other hand, we have had repeated declarations—and the Senator from Minnesota has made one just now—to the effect that the bill before us is an emergency bill. If a long-range bill has already been prepared and is a reiteration of the bill before us, seeking to thrust into the future what the instant bill will do for the next 12 months, it would be helpful to some of us in our thinking, and perhaps in our voting, if we knew that fact.

Mr. HUMPHREY. I can only say that I do not believe the long-range farm bill should be judged on the basis of what we are doing here today. I will say only this further: The press is a great medium of communication, but I doubt that it has knowledge of all the intimate details or intricate details of the farm bill.

Mr. HRUSKA. It is for that reason that I asked a better informed source, namely, the Senator from Minnesota.

Mr. HUMPHREY. I am not writing a long-range farm bill. All I know is that we have a bill before us, and if we delay passage of or action upon this bill, I

think it will have some rather unfortunate consequences upon the market.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARLSON. For many years the distinguished Senator from Minnesota has been a member of the Committee on Agriculture and Forestry. I understand that he is not now. But I know he is familiar with this program. It has been a pleasure to have worked with him in the past. If he would be willing, I should like to discuss with him one or two items in the bill.

Mr. HUMPHREY. I would like very much to do so, if the Senator will permit me first to make a few general observations about the bill. Then I wish to engage in colloquy with my colleagues in order that we may have an exchange of views.

First I wish to point out that we are talking about a bill which is a 1-year program based upon recommendations placed before the Congress by the President and the Secretary of Agriculture. It is an emergency program that was designed to meet some of the needs of the producer, the consumer, and the taxpayer—in fact, the American economy as a whole.

In testifying before the committee the Secretary noted that the bill was designed, first, to assure increased income for participating farmers, that is, for the farmers who participate in the program in the important feed-grain sector in our economy.

Second. The purpose of the proposal was to assure the consumer of fair and stable prices for meat, poultry, and dairy products.

Third. The purpose of the bill was to reduce the cost to the taxpayers something like \$500 million less than the present program, and to reduce the Government's holding in feed grains.

Having made that statement, let me make it perfectly clear that I believe it is necessary to have a reserve of feed grains. I am not one of the Senators who believe that we should bring our agricultural economy into daily balance as between supply and demand. I believe such action would work a catastrophe upon the Nation, upon the market, upon the consumer, upon our foreign policy, and upon our national security. We need reserves. We need holdings. We need storage. I agree with much of what the Senator from Vermont [Mr. AIKEN] said earlier in reference to the long-term needs of our Nation and of the world, in terms of feed supplies.

I have become more skeptical over what we call the rigid control program. I make this statement frankly, because in my earlier days in the Senate I argued vigorously for the most rigid type of controls. I feel that in an expanding population, in a world situation that is surely unpredictable, food becomes a vital element of our whole national security, and that bountiful reserves, even though they cost something for storage, are within the national interest.

Having made that statement, all we are trying to do is to arrive at what I consider to be a certain degree of reasonableness in terms of reserves or inven-

tories, and I believe that is what the program is designed to do.

It is not the intention of the Senator from Minnesota to offer any amendments to the Senate bill. I happen to feel that there are portions of the bill passed by the House that may be better, from my point of view, than the Senate bill as it came from committee. But I believe that the Senate bill will be helpful. I do not wish to indicate for a moment that we can solve the so-called surplus problem with feed grains. That is not something that can be done in one year without destroying the farm economy. Furthermore, we have never defined what we mean by a surplus of feed. I do not consider a surplus of feed to be a few more bushels than the current market requires. I have long felt that we needed national food reserves—set-aside—of substantial quantity and quality so that we would have no danger in America from drought or disaster, from war or nature.

In other words, let us protect the livestock industry of America. Let us protect human beings, our fellow citizens. Let us strengthen the Nation in its relations with other nations by having an adequate supply of food. I think this is all to the good. Nevertheless, we can make certain improvements, and I believe that the bill tends to do so.

Let me discuss for a moment, the difference between the House bill and the Senate bill, in broad terms. The Senate committee, in the bill which is now before us, has set a fixed support on corn at \$1.20 a bushel. The House did not do that. It set a minimum of 65 percent of parity, giving the Secretary discretionary authority to set supports at 65 percent or above. However, the Secretary has said repeatedly that he would set the support level at \$1.20. Therefore, the Senate committee, in its wisdom, has said, "If that is what the Secretary intends to do, that is what we will write into law."

This is a 1-year program, Mr. President.

The Senate bill does not permit the Secretary of Agriculture to sell out of Commodity Credit Corporation stocks any stocks below support levels. This is the traditional position of the Senate. I say that with some background of service on the committee.

The House bill would permit the Secretary to sell out of Commodity Credit Corporation stocks at prices up to 17 percent below support levels. That means that 83 percent of the support level would be the price at which the Secretary could sell Commodity Credit Corporation stocks in the market. Under the Senate bill it would have to be 105 percent of the support level.

There is a very significant difference. The purpose of the House language is to bring about more compliance with the program, thereby cutting back production.

It is my belief that with the support level of \$1.20 on corn and other feed grains having support levels based on their feed equivalent value—and there is a formula for all this in the law—unless there is a way in which to discipline or exercise some authority over

production, it might well result in promoting more production than we have today. Therefore, the House bill and the Senate bill call for very substantial acreage reductions. The House bill gives additional authority to the Secretary to step into the market to force compliance with the program, by selling Commodity Credit Corporation stocks in the market, as a penalty against noncompliers.

This is a complicated business. When we discuss farm legislation we are discussing the most complicated economics of the Nation. I see my good friend the Senator from Kansas [Mr. CARLSON], who is a wise man in this field, is smiling. Every one of us who deals with this subject feels a sense of inadequacy, because at just about the time when we begin to understand a program like the so-called support program for corn, so many changes are made in the formulas that it is necessary to start all over again.

I have spent hours in trying to understand the bills. As one who hopes to continue his interest in agricultural legislation, I have studied the bills as one would in a seminar or in a graduate course. I have studied the bills until the present moment, because I wished to be as sure of my ground as I could possibly be.

There are philosophical differences in the Senate with respect to farm policy. We will not change those differences by any argument.

I am sure that every Senator holds his philosophy on this subject sincerely. I merely wish to say that when we offer a farmer a price on a commodity, that farmer, if he is to take that price and be satisfied with it, must accept some restrictions on his production. Otherwise the Government will, by Act of Congress or act of the executive branch, encourage ever more production and depress the market ever more costing the taxpayer untold millions of dollars.

The farm program has gotten into such condition that last year it cost the American taxpayers more than \$6 million. We cannot continue like this. I come from an agricultural State. However, we want a farm program that is not a burden upon the Federal Treasury, and not a burden upon taxpayers who are not farm people. What we are seeking, therefore, is a statement of policy as to the role of food and fiber in our economy, the purpose of food and fiber in our foreign policy and in our national security. The policy should be in proper perspective, and we should try to design programs that will bring into reasonable balance the supply that is needed in relation to the demand or the consumption, plus the establishment of national reserves.

I note that the Senate Committee amendment to the Senate bill does not contain a price support for soybeans. I forget now whether the report recommends against such support. Perhaps it merely ignores the soybean price support. The House bill includes a recommendation to increase the support level on soybeans to \$2.30.

The House bill requires only a 20 percent acreage reduction, and all the supports would be paid in cash on the 20 percent. That is, it would be neces-

sary to average out the production on the acres for the past 2 years and to pay in cash on the amount of production.

The House bill makes provision for another 20 percent voluntary reduction, which could be paid for in kind up to 60 percent of the previous production. The Senate bill requires a 30-percent acreage reduction from last year's planting, and the support payments on this amount would be made one-half in cash and one-half in kind.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. HUMPHREY. With that explanation of the two bills, possibly I can answer a question or two of my distinguished friend from Maine. Then I shall wish to say something more with respect to the economic concept involved in the proposed legislation.

Mr. MUSKIE. The Senator knows that I come from a State which is interested in the bill primarily as a taxpaying State and as a feed consuming State. I am interested in having the Senator's judgment as to what the net effect on the taxpayer would be if the bill should become law and the program should be implemented.

Mr. HUMPHREY. I have asked the Department of Agriculture to give me some figures on this point, and the Secretary gave me some information, which I have before me. However, the report had something to say on the subject, too. According to the report—and this is from the Secretary of Agriculture—

The total estimated cost of the program in the long run is only the cost of the conservation practice payments—\$400 to \$500 million. This would replace the estimated expenditures under the existing program of \$1.5 to \$1.6 billion of which we could expect to recover eventually only \$500 million. The net saving under the proposed special program as compared with the existing program would be in the order of \$500 million.

Let me say to my friend from Maine that these are estimates. I have been on the scene long enough to know that often estimates are very conservative.

Mr. MUSKIE. I understand.

Mr. HUMPHREY. The committee feels that this is a reasonably accurate estimate. However, as I said, it is an estimate, because we do not know what the production will be.

Mr. ELLENDER. That is based on 70-percent compliance. The higher the compliance, the greater the saving.

Mr. HUMPHREY. The original estimates of some technicians of the Department show that with 70 percent compliance the saving would be a little more than \$500 million. However, the committee in its report estimated the saving at \$500 million, on the basis of the Senate bill also. Is that what the Senator from Louisiana understands?

Mr. ELLENDER. That is correct.

Mr. MUSKIE. How firm a figure is the 70-percent compliance figure? On what is it based? Is it guesswork?

Mr. HUMPHREY. Oh, no. It is based upon what I think would have to happen. I think the chairman has made a very good statement on this point. If and when the bill is passed the President and the Secretary of Agriculture must ask the county committees—the ACP

committees—to go out and really sell this program to the feed producers. The Senator from Louisiana has made it quite clear, as chairman of the committee, that we have had a little trouble in the feed grain sector of the farm program. We have had much trouble with the so-called corn program. We will not go over that sad story. The chairman has said—and I think it is a word of warning—that the Secretary of Agriculture has assured us that we must have broad participation. What the Secretary seeks to do, and what he will do, I feel certain, is to ask the county committees to go out and work and to sign up the farm producers in the feed grain areas, because a program providing \$1.20 a bushel guaranteed price—that is the floor—plus payment in cash and payments in kind, which payments in kind would be negotiable certificates, is a rather good, solid program, and should produce genuine profit for the farm producer.

Mr. ELLENDER. I point out in this connection that it will be bigger if the Senate bill is enacted. If there is as much as 70-percent compliance, the increased income to the farmers who participate will range from 7 to 8 percent higher than under the present program.

Mr. HUMPHREY. A 50-percent compliance would still effect a very large saving to the Government and to the taxpayer. The Department estimated \$626 million, if there is 70-percent compliance. Even if compliance were reduced to 25 or 30 percent—and I hope and pray there will be a much better compliance than that—there would, even then, be a saving of \$200 million or \$300 million as compared with the present program.

So under the worst of circumstances—and I cannot contemplate a program in which there would be less than 25-percent compliance—there would be a saving of more than \$200 million to the taxpayer.

Mr. MUSKIE. How important to compliance is section 3 of the House bill?

Mr. HUMPHREY. I think section 3 of the House bill provides considerable weight in gaining compliance. I am not willing to say, however, that I think it is the only factor in compliance, because the Senate bill, while it did not do what I would have hoped it would do in section 3—because I support, in my own heart and thinking, the purpose of section 3 in the House bill—provides for payment in kind. It provides for cash for the acres taken out of production. It provides that certificates and payment in kind are negotiable elements which can be converted into cash.

I think there is quite an incentive there, plus making the program a really national call, on the part of the President and Secretary of Agriculture, to get something done.

Mr. MUSKIE. Some cynics say that acreage controls will not be effective; and if they are not effective, then compliance is not so important a factor in tax savings as it might otherwise be. There are cynics who say that the farmers who comply will simply throw more fertilizer on the remaining acreage and will produce as much grain as they

would have produced on their original acreage.

Mr. HUMPHREY. Most of the farmers have already thrown a great deal of fertilizer on the very ground that they will be cropping next year or in this crop year. The corn farmers planted 18 million new acres of corn under the program we passed some years ago, a program I voted against and warned against. I do not want to say, "I told you so," but that program added about an extra billion bushels of corn to the total production. The farmers put plenty of fertilizer on that land when there was no difference in the price paid to the farmer who was complying and the farmer who was not complying.

In other words, Congress, over the opposition of the Senator from Minnesota, and at the insistence of the recent administration, put into the corn program a guaranteed price of \$1.06 a bushel. The farmers merely plowed up the sidewalks to plant corn. That is one of the reasons why we have the feed grain problem today. I should say one would have to "go some" to beat those production records.

My estimates on the bill before the Senate are based upon the fact that we have already gone through some of the worst or most difficult days, in which fertilizer, seeding, and every conceivable practice, including the narrowing of the distance between the rows planted, has been practiced.

I do not want to overestimate, because I have learned the rule of caution as to overproduction, but I have the feeling that there will be a substantial reduction in the feed grain program by reason of the passage of the bill.

Mr. MUSKIE. Did the committee seriously consider bushel controls instead of acreage controls?

Mr. HUMPHREY. I shall leave the answering of that question to the chairman of the committee.

Mr. ELLENDER. Mr. President, since this is more or less a crash bill for 1 year, we did not even discuss that question. The idea behind the curtailing of acres planted was to reduce production. However, we have in the offering a long-range bill which will affect corn and other feed grains, as well as wheat. That question will be taken up then. This bill, as I have said, is for 1 year only. It is a crash bill, intended only to reduce the enormous surpluses which are now on hand. That is the sole purpose of the bill. If that objective can be accomplished under the bill, and if there is 70-percent compliance, as the Senator from Minnesota has said, that will result in quite a saving to the Government.

Mr. MUSKIE. I thank the Senator. I am happy to learn that the committee will consider production controls.

Mr. HUMPHREY. A staff consultant has indicated to me that from 1955 to 1960, on a yield-per-acre basis, there was an increase of 30.5 percent on corn, and 118 percent on sorghums. On oats the increase in yield-per-acre was 12 percent; for barley, 10 percent.

I believe this tends to prove my point that fertilizers were applied and new planting practices adopted, as well, un-

der the so-called low price support formula. Instead of the low price support formula reducing production, it increased it. There was also the fact that there were no acreage controls at all. The farmers were simply told, "Go to it, boys. See what you can do." I can tell the Senator that they made a fine record.

Mr. MUSKIE. Then, the lower the farmer's price goes, the more he must plant in order to come out whole.

Mr. HUMPHREY. The Senator is correct.

Mr. MUSKIE. I should like to ask one or two questions to clarify the impact of the bill upon the dairy and poultry farmers in my State. I shall ask the questions based upon the statistics I obtained from the Department of Agriculture. Therefore, I assume they are representative and realistic.

I understand that feed is composed, on the average—and the averages are by weight—of about 40 percent feed grains, 20 or 25 percent soybean meal, and 35 to 40 percent miscellaneous miller's grains, brewer's grains, middlings, and so on.

Mr. HUMPHREY. That is considered to be a sort of basic formula.

Mr. MUSKIE. Let me put this question to get an understanding of how the bill will affect broiler growers. I understand that the price for the feed ration for broiler growing, in recent months, has been something like the following: On February 15, 1961, \$4.60 a hundred pounds; on January 15, 1961, \$4.55 a hundred pounds; a year ago, \$4.70 a hundred pounds. 1955 to 1959, on the average, it was \$4.94 a hundred pounds. These are national averages, as I understand.

Mr. HUMPHREY. There has been very little fluctuation.

Mr. MUSKIE. That is correct.

Mr. HUMPHREY. About 40 cents a hundred pounds.

Mr. MUSKIE. From \$4.55 to \$4.94 is the range shown here. If 40 percent of one of the rations by weight is corn, for example, it seems to me that the direct impact upon the price which the broiler grower pays would be that. The price-support figure for corn under this bill would go from \$1.06 to—

Mr. HUMPHREY. To \$1.20.

Mr. MUSKIE. To \$1.20 a bushel?

Mr. HUMPHREY. Yes.

Mr. MUSKIE. A bushel is approximately 40 pounds?

Mr. HUMPHREY. That is a fair average.

Mr. MUSKIE. So in a hundredweight of feed, at \$4.60 a hundred, the proportion of that price attributable to corn would go from \$1.06 to \$1.20?

Mr. HUMPHREY. Yes.

Mr. MUSKIE. Or a 14-cent increase a hundredweight, as compared to \$4.60 for the cost of that hundredweight of feed? Is that accurate?

Mr. HUMPHREY. Undoubtedly the Senator is using accurate mathematics. The computation has to be made rather quickly, but it sounds reasonable.

Mr. MUSKIE. Does the chairman of the committee agree?

Mr. ELLENDER. I cannot figure that rapidly. But I should like to point out

that we have made a study of the increase in mixed feeds, in contrast to the price of corn, let us say. For instance, in 1956, when the corn price support was \$1.50, mixed dairy feed cost \$3.59 a hundred. With corn at \$1.06, it was \$3.65. So it does not have the effect that some Senators think it has.

Mr. MUSKIE. I think the Senator will find, if he will let me pursue my questioning, that my questions are directed toward the same conclusion the Senator has suggested.

As I understand the impact of the bill, if a broiler producer pays \$4.60 for a hundredweight of feed at this point—

Mr. HUMPHREY. Under the present law?

Mr. MUSKIE. Yes. Under the present law—if this bill goes into effect—there will be added to that price 14 cents, representing the increase in the price support of corn.

Mr. HUMPHREY. And that would be an increase of about 12 percent in the price level.

Mr. MUSKIE. No; it would be about 3 percent.

Mr. HUMPHREY. Yes; 3 percent.

Mr. MUSKIE. Three percent for the broiler producer.

Mr. HUMPHREY. Yes.

Mr. MUSKIE. I understand that the dairy ration on February 15 of this year was \$2.95 a hundred. If we use corn again, the increase there would be a little under 5 percent, for the dairy farmer.

Mr. HUMPHREY. That is correct.

Mr. MUSKIE. The poultry ration on February 16 was \$3.35 a hundred; and, again, if we use corn, the percentage increase would be a little lower than that for the dairy ration.

I should like to have both Senators listen to my next question, if they will.

Mr. HUMPHREY. The Senator from Maine is speaking only of corn, is he?

Mr. MUSKIE. Yes; only of corn, for purposes of illustration.

Mr. HUMPHREY. Yes.

Mr. MUSKIE. Is it accurate to suggest that the day after the bill went into effect, or a reasonable time after it went into effect, the increase in the price support for corn would be directly translated into exactly the same increase in the price of feed?

Mr. HUMPHREY. No.

Mr. MUSKIE. I would appreciate obtaining the Senator's reasons as to why not.

Mr. HUMPHREY. Let me cite one instance: I hold in my hand today's Washington Post, which states the prices on the Chicago market. The price of corn in Chicago, for May futures, is \$1.19; for March, \$1.15½. This is what they are having to pay right now, for corn to mix into their feed.

Mr. MUSKIE. In other words, the Senator is saying that other factors which come into play may very well offset the increase in the price support for corn?

Mr. HUMPHREY. Exactly. The purpose of the price support—as the Senator has so well stated, and as he knows—is to provide a floor; and it is a fact that if the open market price for corn went

way down and if the feed processors were buying in that market, that would lower the price of feed—theoretically.

But the fact is that today the buyers are buying corn at anywhere from \$1.12 to \$1.14 to \$1.15 to \$1.19 a bushel, for the feed the Senator from Maine is talking about; and under this bill the support level is \$1.20.

Mr. MUSKIE. Let me ask another question, in order to suggest another offsetting factor.

Mr. HUMPHREY. Perhaps the chairman of the committee wishes to comment on this point.

Mr. ELLENDER. Let us say that the formula for laying mash would be as follows: The cornmeal used in 2,000 pounds of mash would be only 779 pounds, or about one-third of the total. So it would not affect the greatly overall cost of that entire ton; it would be only a small part of it.

But in connection with this discussion, I should like to place in the RECORD a document, obtained from the Department of Agriculture, showing that the price of corn, sorghums, oats, and barley as a rule had very little impact on the price of mash.

Mr. HICKENLOOPER. Mr. President, I rise to a point of order, if the Senator who has the floor will yield: With all due respect, let me point out that small gatherings around the desk of one Senator, where the conversation is held in a very low tone of voice, make it very difficult for some of us to know what is going on, unless we, too, join the little huddle; and if we do that, other Senators are unable to hear.

So I wonder whether Senators who have been engaging in the debate will speak somewhat louder.

Mr. HUMPHREY. Certainly, Mr. President; we shall trumpet the truth with greater clarity. [Laughter.]

Mr. HICKENLOOPER. I am interested in many of the fallacies that are being discussed here at the moment. So I wish the Senator to provide a little more clarity.

Mr. HUMPHREY. Under the circumstances, I can say one of two things; either I can say that we can and we will speak louder in stating the truth, or I can say that the Senator from Iowa is not speaking loud enough.

Mr. HICKENLOOPER. I understand that Senators do not wish to shout when they are standing only a few feet from other Senators. But I believe it would be helpful if the volume were increased a little.

Mr. HUMPHREY. Mr. President, we shall speak up.

Mr. ELLENDER. Mr. President, I have been saying that the fluctuation in the price of corn, oats, or barley does not necessarily have a great impact on the price of laying mash, broiler mash, or mixed dairy feed.

To demonstrate that, let us consider the situation for the year 1956: Corn was supported at \$1.58, and the price of laying mash was \$4.35. In 1960, with a price support of \$1.12 for corn, the mash was the same price.

Consider the case of broiler growing mash, in the same year, and with the

same support price for corn: In 1956, broiler mash was \$4.79, with corn at \$1.58; and with corn at \$1.12, broiler mash was \$4.69.

As regards dairy feed: In 1956, with a corn support price of \$1.58, the mash sold for \$3.59; and with corn at \$1.12 in 1960, the mash sold for \$3.67—at a higher price than its price when the support price for corn was much higher.

Mr. President, if the Senator will permit, I should like to place this state-

ment in the RECORD, so it can be seen that what I have been presenting is correct.

Mr. MUSKIE. I shall be glad to have that done.

Mr. ELLENDER. Then, Mr. President, I ask unanimous consent to have the table printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Selected livestock feeds: Price per hundred pounds paid by farmers as of Jan. 15, 1955-61, and price-support levels in effect

Year	Commercial feeds			Price supports			
	Laying mash	Broiler growing mash	16-percent mixed dairy feed	Corn	Sorghum grain	Oats	Barley
	Dollars per hundredweight			Dollars			
1956.....	4.35	4.79	3.59	1.58	1.78	0.61	0.94
1957.....	4.48	4.93	3.80	1.50	1.97	.65	1.02
1958.....	4.29	4.81	3.56	1.25			
1959.....	4.52	4.98	3.75	1.40	1.86	.61	.95
1960.....	4.35	4.69	3.67	1.10			
1961.....	4.29	4.55	3.65	1.36	1.83	.61	.93
				1.06			
				1.12	1.52	.50	.77
				1.06	1.52	.50	.77
	Percent change						
1956-61.....	-1.3	-5.0	1.6				
1955-61.....				-32.9	-14.6	-18.0	-18.0

Source: Agricultural prices: USDA.

Mr. MUSKIE. Mr. President, the Senator is saying, then, that an increase in the price support for one of the ingredients of the feed ration does not necessarily mean an increase in the price of that feed ration to the industry that consumes it; is that correct?

Mr. HUMPHREY. That is correct.

Mr. MUSKIE. In other words, there are offsetting factors which have a varying impact on the total price?

Mr. HUMPHREY. That is correct.

Mr. MUSKIE. The result may or may not be an increase, depending on the value of the offsetting factors?

Mr. HUMPHREY. At least, in the case of the processed product the increase in price is not proportionate to what would be the increase in the price of the raw product. In other words, we can raise the price of oats and barley, but the price of the mash to the consumer will not vary very much unless the cost of the label that is placed on the carton increases.

Mr. MUSKIE. I was really trying to obtain some education, and I was not sure that other Senators required similar education. So perhaps I lowered my voice more than I should have done.

Mr. HICKENLOOPER. Mr. President, the Senator is meeting my request magnificently. It is very fine.

Mr. MUSKIE. I thank the Senator.

On page 8 of the Senate report, the committee had something to say about the statement of the Secretary of Agriculture in his memorandum to the President, as follows:

Support prices for soybeans will be raised to \$2.30 per bushel and the support price

for cottonseed raised to a competitive relationship with soybean support prices. This will encourage the diversion of a part of the current feed grain acreage to soybean production.

Has the Secretary actually exercised the discretion which would permit him to raise the soybean support price to \$2.30?

Mr. HUMPHREY. He has not, but it is his intention to do so.

Mr. MUSKIE. Is that action on his part conditioned on passage of this bill?

Mr. HUMPHREY. It is not, necessarily.

Mr. MUSKIE. In the event this bill passes and in the event the Secretary does increase the support price for soybeans, which I understand the committee discourages, then I should like to explore the impact upon feed.

Referring back to the composition of feed by weight, as I stated, 20 to 25 percent of the weight is soybean meal. I am told the Chicago market price on soybeans on March 8th of this year was \$2.96 a hundredweight.

Mr. HUMPHREY. That is right—\$2.95¾. May futures, \$3.01.

Mr. MUSKIE. The support price is considerably lower than the market price.

Mr. HUMPHREY. That is correct.

Mr. MUSKIE. I understand that one of the reasons why the current market price is so high is because of a short crop last year.

Mr. HUMPHREY. That is correct.

Mr. MUSKIE. I understand the Secretary hopes, by increasing the support

price, to increase the production of soybeans. Is that correct?

Mr. HUMPHREY. He hopes, by the increase in price support, to divert acres from production of corn and other feed grains into soybeans. The feeling is—and there is good justification for it—that there is a better market for soybeans both in meal and oil. The oil is needed in our overseas program, and the meal is of great value for our dairy and meat feeding.

Mr. MUSKIE. In the event the proposed increase in the soybean support price had the desired effect, would the resulting increase in production result in a drop in the price of soybeans?

Mr. HUMPHREY. Yes; I think there would be a tendency to have the price drop below the high we now have. The present high is \$2.95. The price of the beans has been going up rather rapidly since December. I would think with a larger crop the tendency over the entire year would be toward a more stable price in soybeans, and not up to \$3.05 or \$3.10 that some of the futures indicate.

Mr. MUSKIE. Does the Senator see any relationship between the Secretary's proposal on soybean supports and the fact that November futures are now at \$2.35 a hundredweight?

Mr. HUMPHREY. I surely do. That is what I was trying to indicate a moment ago. I think the Secretary's contemplated proposal on soybean supports will have a tendency to stabilize the market, which went to rather unfortunate lows. It got down to about \$1.84. At any rate, it was below \$2 for a considerable time. I think it got down to \$1.82 or \$1.83. The support level was \$1.85. The price was right down to about the support level. So what will result from the \$2.30 support is withdrawal of some corn acres into soybeans, increasing soybean production, which would have a tendency, over the 12-month period, to level out the price, as the futures indicate.

I think the Senator indicated that the November future price was \$2.35 a hundredweight. Is that correct?

Mr. MUSKIE. Yes; \$2.35.

Mr. HUMPHREY. Well, the boys in the market have a pretty good idea of what the price will be.

Mr. HICKENLOOPER. Mr. President will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HICKENLOOPER. Do I correctly understand the Senator is proposing a price on soybeans at a level that will maintain the price at \$2.30?

Mr. HUMPHREY. That is not what the Senator is saying. The Senator is saying that, with the low support level last year, there was a wide fluctuation, down to about \$1.85, and it goes to a high future price of \$3.10.

Mr. HICKENLOOPER. We have the same level now.

Mr. HUMPHREY. That is right, because we had a poor crop; but even with a \$2.30 support level, there will be a tendency to have a more stable price throughout the year.

Mr. HICKENLOOPER. Does the Senator consider that last year's crop—not the present crop, which the Senator said

was a bad crop, but that of the year before—was a normal crop?

Mr. HUMPHREY. I am not prepared to say. I do not remember the statistics. If I did, I would give the Senator an answer.

Mr. HICKENLOOPER. I do not know either, or I would state it to the Senator; but if it were a normal crop year, and the price on the market were \$1.84, or \$1.85, or \$1.86, then, if we had a normal crop this year, plus the inducement which a support price of \$2.30 would bring to plant more soybean acreage, would we have a storage problem?

Mr. HUMPHREY. We are not confronted with that problem. We have never had that problem. There is greater consumption of soybeans as we go along, as we get more and more into a beef and livestock economy, as our foreign markets expand. In that connection, I am going to have something to say a little later about the soybean situation. There is good reason why the demand for soybeans will be high. I say that, even with the transfer of corn production to soybean production, there will not be an excess of soybeans, but with a reasonable support price, there will be a better and a more stable market during the year. That will be of benefit to the farmer who produces the soybeans and to the feeder who uses them.

Mr. HICKENLOOPER. But soybean producers are doing very well. They are in an excellent position. Why fool with it?

Mr. HUMPHREY. The main reason why they are in an excellent position right now is that there are not enough soybeans.

Mr. HICKENLOOPER. But if more soybeans are produced, the price will go down.

Mr. HUMPHREY. No. The farmer is not asking for \$3.80, but he does not want a price of \$1.85. He wants a more stable price. When he comes to market his beans, he does not want to be caught in a market of low prices. If he can sell his beans at \$2.30, rather than \$1.85, he will be 45 cents better off on each bushel of beans.

Mr. HICKENLOOPER. I fail to see the logic of injecting Government into a crop area when that crop is doing very well on a free market, or a free enterprise market. I do not see why the Government or the Secretary wants to inject Government controls. I would prefer to see the free market operate as long as it is returning a fair price to the farmer for his product.

Mr. HUMPHREY. I may call to the attention of the Senator that for the last 10 years there have been some support levels for soybeans, just as there have been for cottonseed. The specialists and economists, who are wiser in this field than I am—and I am sure they are not as wise as the Senator from Iowa—say that if we fix a pretty decent support level for soybeans, we will tend to draw acres from less productive acreage, because farmers produce to make money, just as insurance companies sell policies to make money.

The idea behind the \$2.30 support level is, first, to give the farm producer a fair price; second, to assure stability of the market price; and, third, to draw out surplus acres from corn and from other feed grains into the soybean area, since there is a greater demand for the product.

Mr. HICKENLOOPER. Why should the farmers not simply retire those acres?

Mr. HUMPHREY. Why not retire them? If people wish to have soybeans, soybean meal, and soybean oil, why should the farmers not use the land? The farmer can make a dollar or so. It would be a new experience for the farmer, and he is entitled to some thrill in life, I think.

Mr. HICKENLOOPER. I fail to see how the farmer can make more at \$2.30 than he can make at \$2.85.

Mr. HUMPHREY. The trouble is that a lot of the soybeans today are not owned by the farmers. They were bought up by others and held. The farmer simply received the support price and that is all. The farmer received the low price.

Mr. HICKENLOOPER. I am simply looking at the market today.

Mr. HUMPHREY. I come from the second largest soybean producing State in the Union. Our production is exceeded only by that of Indiana, and we will soon pass their production. Soybeans are our best cash crop. We wish we had a little more stable market. The way to obtain stability is to have a price-support level, so that when the farmer starts to market his product he can get a better price in the beginning, rather than a theoretical price after he has lost control.

Mr. HICKENLOOPER. We could stabilize all agriculture by comprehensive Federal laws, if they were constitutional, by freezing the farmer's prices and freezing the farmer in a straitjacket. We could stabilize the farmer's prices and destroy his opportunity for gain.

Mr. HUMPHREY. The Senator from Iowa and I have disagreed for a long time about certain subjects. I do not think we can settle the argument now. The last disagreement we had was about the corn program, and the Senator ended up with a billion more bushels of corn and 18 million more acres than anybody else estimated. I must say that was the grand prize.

I believe that I would prefer to stick with the crop concerning which I have been arguing, which is soybeans. This is one of the few crops with respect to which there is still an opportunity to divert acres from surplus corn production.

Both Iowa and Minnesota have a lot of land. Iowa has more than Minnesota. The farmers of Iowa could put some of the land into soybeans, and thereby the farmers could do a better job.

Mr. President, I now yield to the Senator from Maine.

Mr. MUSKIE. Mr. President, I must agree that both Iowa and Minnesota, obviously, have more corn production than Maine has.

Mr. HUMPHREY. We are interested in selling some to the people of Maine.

Mr. MUSKIE. I am interested in nailing down one or two more points, as a Senator representing, in part, a consuming State.

I wish to refer again to the line of questioning in which we were engaged a while ago. Was the Senator saying that the increase in support prices provided by the bill may or may not be reflected in an increase in the price of feed rations, depending upon other possible offsetting factors?

Mr. HUMPHREY. That is correct.

Mr. MUSKIE. Of which one may be the proposed program with respect to soybeans?

Mr. HUMPHREY. That is correct.

I wish to make it equally clear that I am not saying if we increase the support levels, which we hope will increase market levels, that this increase will not be reflected in part in the processed feed. We wish to be honest. Indeed, it may be reflected in part.

As the chairman of the committee, the Senator from Louisiana [Mr. ELLENDER] pointed out, when corn was at a support level of \$1.58, oats were at a level of about 80 cents instead of 50 cents. Oats were at the equivalent price.

Mr. ELLENDER. Sixty-one cents.

Mr. HUMPHREY. I will give some of the other prices. Oats were at 61 cents. Barley was at 94 cents.

In the last year oats were at 50 cents and barley was at 77 cents.

All of these feed grains which are mixed into a processed feed were substantially higher in 1956, yet the price of the finished product did not vary more than a few cents. The difference between 1956 and 1961 was \$4.35 a hundredweight for laying mash as compared to \$4.29.

In the meantime, the farmer took a licking of 52 cents a bushel on every bushel of corn. The farmer took a licking of 11 cents a bushel on the price support for every bushel of oats. The farmer took a licking of 17 cents a bushel for every bushel of barley, and he took a licking of 26 cents a bushel for every bushel of grain sorghums.

Therefore, in Maine there was a small benefit, after the farmers in the Midwest and the Southwest, who are basically the feed producers, had taken a licking of really tremendous proportions in terms of the prices they received. The Maine farmers received an advantage of about 6 cents a hundredweight on laying mash. The saving, however, was reduced by the freight rate increase which was granted. The farmers in Maine paid a little higher prices after a while, because the freight rates were increased after a while. The farmers in Maine did not do too well, and in the meantime some of the people I represent in the Senate were going broke.

A farmer cannot make money producing oats at 60 cents a bushel. By the way, that did not help either Maine or Minnesota.

Mr. MUSKIE. What the Senator is saying is that it does the overall economy

little good if, in order for one group of farmers to prosper, it is necessary to have disaster strike another group.

Mr. HUMPHREY. The Senator has made a proper analysis.

Mr. MUSKIE. The Senator from Minnesota made a statement earlier today which I should like to have him elaborate statistically, if he can.

The Senator from Minnesota pointed out that when the feed grain growers are faced with a price below the cost of production the tendency is for them to move into the production of poultry, of dairy products, and of hogs. Are there any statistics available to show at exactly what point this would occur? In other words, what is the point at which the feed grain grower becomes a competitor of Maine poultry farmers or Maine dairy farmers?

Mr. HUMPHREY. There are figures on that. I deeply regret that I do not have them at my fingertips, but there are statistical estimates or statistical generalities, we might say, to demonstrate this fact.

There is, for example, the corn-hog ratio. This varies somewhat in terms of the type of hog about which we speak. The consumers like a better product today. They like a leaner hog with not quite so much fat. The figure used to be something like 13 to 1. I forget what it is.

Mr. ELLENDER. Twelve to one.

Mr. HUMPHREY. Twelve to one.

When the price of corn is down to less than 80 or 90 cents a bushel the condition develops which is an invitation to the fellow who does not have hogs to go into hog production. This arises because he says to himself, "I have all of this cheap feed available. In the meantime, the hog prices look pretty good. In a year or so I can get a pretty good crop." Of course, by the time the hogs have eaten up all of the corn, the price of pork has gone down.

I remember the hearings conducted by the chairman of the committee on this subject. The committee traveled around the country. The chairman went around with us. We went to North Dakota and to Minnesota, as well as to Oklahoma, to the West, and to the Southeast. There was demonstrable evidence that there is a direct relationship between the price of a perishable product such as poultry, beef, or hogs, and the price of feed grains. When the price of feed grains goes down, sooner or later the price of the perishable commodity goes down. In the meantime, farmers are led off or sort of diverted into that kind of production.

A year or two ago some farmers from New Jersey came to me with questions about competition. These men were broiler producers and egg producers. They said:

Senator, people all over the United States are in the chicken business now, although they were never in the business before. They are in the egg business now, though they were not in the egg business before. They have ruined our market.

I said to them:

I will tell you why they are in the business. In parts of America I know well, like

the Dakotas, feed grain prices have gone down.

The distinguished present Presiding Officer, the Senator from North Dakota [Mr. BURDICK] could tell the story as it relates to North Dakota. For years North Dakota was essentially a feed-producing State, a wheat-producing State. When the feed grain prices went down so that the farmer could not make an honest dollar from barley, oats, rye, or wheat, the farmer had to go into the production of something else. The farmers started producing poultry. They started producing hogs. They started producing beef.

There has been a change in the whole pattern of production in the United States.

Frankly, if we could ever get these farm prices within some degree of stability, for which we have worked for a long time, we would have some stability not only in the price pattern, but also in the production pattern with regard to the very things in which the Senator is interested.

Maine has an agriculture which is different, we might say, from that of Minnesota, of Iowa, or of the Dakotas. The agriculture of Maine is affected by what happens to the market prices on feed grains in the feed grain surplus-producing areas.

I hope that this discussion will be of some help to the constituents of the Senator from Maine. I think we can demonstrate repeatedly that even if we were to cut the price of corn another 10 cents under the present price support levels down to 95 cents, let us say, the cost of feed to dairy producers up in Maine would not be reduced 5 cents a hundredweight, and in the process, thousands of farmers would be bankrupted. Those farmers really are the great consumers. They consume electricity. They consume processed food-stuffs, many of which are processed in the State of Maine. The farmers consume timber. After all, one of our great housing needs is in the rural areas of America, and the State of Maine is known for its timber.

We are all tied together in this problem. I do not think we can afford to have one part of America trying to support another part of America by low prices. I am opposed to it.

Mr. MUSKIE. I should like to ask the Senator from Minnesota one further question relating to another section of the agricultural economy of Maine. One of the great problems which has confronted our potato growers in Maine has been the diversion into potatoes of excess acreage in those States having crops which are price supported. Is there a provision in the bill to prevent diversion into potatoes of acreage which is retired from corn production or feed grain production?

Mr. HUMPHREY. In order to take advantage of price support levels, there is a provision in the bill that a farmer must have complied with the so-called cross compliance regulations. The Senator from Louisiana [Mr. ELLENDER] and I believe that if we are to offer better

prices to producers, we must ask them to comply with some kind of controls.

Mr. MUSKIE. I thank the Senator. I have appreciated this colloquy. I believe I have learned something from it.

Mr. President, as a Senator from a State where agriculture constitutes an important source of income, I am naturally concerned about our agricultural problems. We may not loom as large as the Midwestern and Western States on the agricultural horizon, but in our area of the Northwest we rank first in farm operations, accounting for 30 percent of farm income in New England. Maine produces 17 percent of New England's milk, 23 percent of the region's eggs, 57 percent of the broilers in this area, and 87 percent of the potatoes grown in New England.

Because of the importance of agriculture to the economic health of my State, I want to be sure that we have a sound farm program that will help stabilize markets, provide maximum return to farmers, and assure an ample supply of food for consumers at reasonable prices. My New England rearing has taught me to count the cost of any such program.

In reviewing farm policies in recent years I have been dismayed by the mounting evidence of failure—failure to keep the costs of farm stabilization operations within bounds and a failure to provide improved farm income. I have been anxious to have an opportunity to vote for a program which would meet the twin tests of fair income to the farmer and fair costs to the taxpayer.

In recent weeks I have been pleased to find that the Secretary of Agriculture, true to the promise of the President and true to his own record as a public servant, is ready and willing to take positive steps to help farmers in trouble. We have had a very difficult potato situation in Maine. I brought this problem to his attention, and the Secretary acted promptly and sympathetically.

Today we are voting on a farm program which does not deal directly with the products grown in Maine, but it does concern us. Farmers in our area are justifiably wary of price-support programs for feed grains which may mean an increase in the cost of feed to them. Poultry and dairy operations, the major feed grain consumers, constitute about 60 percent of Maine's agricultural production. At the same time, these constituents do not wish to see a continuation of a program which cost the taxpayers \$289 million last year for storage, transportation, and handling costs alone.

The current mess in agriculture is intolerable. It is costly to the taxpayer; it is inadequate for the farmer; and it offers no hope for a rational and stable agricultural sector in our economy. With the \$289 million we spent in fiscal year 1960 for storage of feed grains we could have made major strides in meeting our educational needs; we could have alleviated unemployment problems in urban and rural areas through an area redevelopment program; and it would have met many of our major needs in conservation, especially in water pollution control.

I have examined the recommendations of the Secretary of Agriculture and the report of the Committee on Agriculture on S. 993. In my opinion, this proposal, providing for emergency relief for feed grain farmers, may well meet the tests of reasonable cost and fair return to farmers. It is designed to reduce present Government stocks and help clean up some of the backlog acquired under folly of previous policies. I think it is worth a trial.

In the long run, such a program should benefit farmers in our area. Cross-compliance provisions will protect potato farmers from increased potato production in normal corn and feed grain areas. Stable income for feed grains will reduce the possibility of tremendous increases in dairy and poultry production in the Corn Belt, putting our farmers at an extreme competitive disadvantage. Stabilization of the feed grain market should reduce inefficient operations and resultant excessive costs.

For several years we have needed an approach to the feed grain problem which made sense. The previous programs have not made sense. I do not contend that this bill is perfect. For example, we may find that production controls would be more satisfactory than acreage controls. But, in its essentials, the program strikes at the heart of the feed grain problem. As an emergency measure it is worthy of our support.

Mr. HUMPHREY. I thank my good colleague from Maine.

My final word on this subject is that we have heard about the dairy situation, and the manufacture of milk and butterfat. I have been one of those who have urged upon the present administration the announcement of dairy support levels. As was indicated, that announcement will come today, tomorrow, or very shortly.

The bill ought to be considered on its own merits, and not as related to a dairy support level. From what I have heard about the projected dairy support level, I believe it will offer considerable relief. The Senator from Wisconsin and I come from milk producing areas where surplus milk is produced. It is what we call manufacturing milk. Butter is also produced for a number of creameries. The States of Minnesota and Wisconsin are surely involved in that industry.

I also come from an area in which food milk, that is, class 1 milk, is produced, which is sold through the dairy for household consumption.

That grade of milk is generally under a marketing order, and a marketing order has been one of the best ways of protecting price. I refer to the milk that comes to our doorsteps.

But manufacturing milk is used in processed food products, such as processed cheese and dried milk. There is great need for dried milk overseas. In fact, we are short of dried milk right now in view of our own foreign policy and security objectives. So I hope my colleagues will not wish to deny a feed-grain producer a modicum of justice on the basis that it will increase the price of milk.

If such be the case, there are many other industries about which we could

start complaining. The two Senators from New York are deeply concerned about this measure. The prices we must pay in Minnesota for some products from New York do not make us very happy. But I know it costs a good deal of money to produce and to live in New York; and it costs a good deal of money to live in California and in many of the great metropolitan areas.

I have always pleaded with our consumers at home to be somewhat considerate of the needs of others, and if we ever get into an argument in this body or in the other body of Congress that what we want someone to do is to produce cheaply, so that we can manufacture goods at cheap cost and sell at high prices, then we shall be in one fix in America.

One great thing about our country is that we have attempted to have some degree of balance. I could have given my views on the Senate bill with what I consider some of its shortcomings, but I shall ask for the passage of the bill. I hope with the passage of the bill we will meet the deadline in reference to the feed-grain plantings.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARLSON. I have appreciated the discussion of the bill by the Senator from Minnesota. I believe he has explained it very well. I appreciated also the remarks of the Senator from Vermont [Mr. AIKEN] on the bill. I shall support the bill. I expect to vote for it. I do so with some misgivings. I do not believe it would bring an agricultural utopia in the feed-grain sections of this Nation.

Mr. HUMPHREY. I fully concur in what the Senator from Kansas has said.

Mr. CARLSON. I appreciate that statement. I know that the distinguished Senator from Minnesota, who has been working in this field for many years, knows some of the problems. It is not easy to vote for proposed legislation which would reduce acreages 15, 20, 30, or 40 percent in the agricultural sections of the Nation. I know the problem that is confronting us.

In the wheat sections of Kansas we have reduced our acreage. In 1951 we planted 18 million acres of wheat. Our allotment at the present time is 10.3 million. So one can see what happens to an agricultural State when we begin to reduce acreages.

I shall support the bill on that theory.

There are one or two sections of the bill that concern me. One is in regard to the price supports for feed grains. Of course, the bill establishes \$1.20 for loan support prices for corn. Then it provides:

Crops of oats, rye, barley, and grain sorghums shall be such level as the Secretary of Agriculture (hereinafter called the Secretary) determines is fair and reasonable in relation to the level of price support for corn—

That reads very well. The bill further provides—

taking into consideration the feeding value of such commodity in relation to corn

Then it is spoiled by the language—
And the following additional factors.

Mr. HUMPHREY. Is not that the provision of the present law?

Mr. ELLENDER. That is in the law now. We copied from the existing law.

Mr. CARLSON. I appreciate that situation. I complained about it bitterly to the previous Secretary of Agriculture. I was told that the loan support price on sorghum was based upon all these other factors, but not feed value.

Mr. HUMPHREY. I believe the Senator from Kansas has a point. At one time he and I combined on that complaint. But since the bill was for only one year, a one-shot proposition, it did not seem that we should rewrite the so-called feed equivalent value. I am not a member of the committee, but I heard some of the members talking about rewriting the feed equivalent value section. But "additional factors" surely includes many other things.

Mr. CARLSON. It would ruin the price support for grain and sorghums. The feeding value of grain sorghums as compared to corn is 95 percent of the feeding value of corn. On that basis I should be delighted if support prices were based upon that principle, but other factors are contained in the bill, as the distinguished chairman of the committee has stated. I was concerned about it then, and I would not let the point pass at this session without complaining about it now. I do not think the provision belongs there. It should not be there.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ELLENDER. I should like to say to my good friend from Kansas that very soon we shall consider a bill dealing with corn and other feed grains on a permanent basis, and it is entirely possible that something may be done to modify the formula about which we have been speaking.

Mr. CARLSON. Will the Senator from Minnesota yield further?

Mr. HUMPHREY. I yield.

Mr. CARLSON. Those are the most encouraging words I have heard in a long time. I know the interest of the chairman of the committee in this subject and his ability to deal with the problem. I sincerely hope he will give consideration to that phase of it, because that is one of the sore points of the language that reads plainly that it is to be based upon the feeding value of corn. That is not done.

I would like to mention briefly another item in regard to supporting an amendment to the bill which would eliminate corn used for silage.

Mr. HUMPHREY. That provision is contained in the House bill.

Mr. CARLSON. The House has already agreed to that amendment. It occurs to me that we are considering a crop which is not on the market. The farmer himself uses his own silage.

I am hopeful that we can adopt an amendment in the Senate that would strengthen the bill by adding sorghums. There is no reason why when we eliminate corn for silage we should not also eliminate sorghum for silage. I would urge the chairman of the committee

to give some thought to this matter. I do not like to offer an amendment on this point this afternoon, but I do think it has some merit.

Mr. ELLENDER. I may say to the distinguished Senator from Kansas that I have given some thought to it, and I am sorry to have to tell him that I would have to oppose it, because it would practically kill the purpose of the bill. If we permit corn to be planted for silage, it is entirely possible that a farmer could produce enough silage for his own use and plant corn on the side and sell it.

If corn for silage is not included as a designated feed grain under the proposed feed grain program, it will remove from the historical base acreage of corn approximately 7 million acres. This could result in a reduction in the acreage actually diverted from corn under the program of at least 1 million acres. It is recognized that the per acre feed equivalent of corn utilized for silage is equal to or greater than the feed value of an acre of corn harvested for grain. Moreover, if corn for silage is excluded under the program, it will result in a greater acreage of corn being devoted to silage since the farmer would utilize for silage any acreage of corn on the farm found to be in excess of the permitted acreage. Without all corn being included in the program, it would not be possible to prohibit a farmer from utilizing excess corn acreage for silage. Furthermore, if corn for silage is removed from the program, there would be little, if any, justification for retaining in the program grain sorghums used for silage.

I hope the Senator will not press the amendment.

Mr. CARLSON. If the Senator from Minnesota would yield further, I would say that there are a great many farmers who plant 15, 20, or 40 acres of corn silage, and the same thing is true with respect to sorghums. Are we going to cut production back 15, 20, or 40 percent in order that they will not have feed for their livestock?

Mr. HUMPHREY. One of our distinguished Senators is about to offer an amendment which I believe will take care of that whole situation. He stands over there with a most benevolent look on his face and holds in his hand a most worthy proposal. Very shortly he will offer it, and every Senator will vote for it and the bill.

Mr. CARLSON. I assure the distinguished Senator from Minnesota that I expect to support the Senator from Kentucky, who will offer the amendment. I did not know that he was going to offer it. I trust the chairman of the committee will not oppose it vigorously.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement which I have prepared in justification of a price support increase on soybeans.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JUSTIFICATION FOR PRICE SUPPORT INCREASE ON SOYBEANS

Increased level of price support on soybeans is justified on the following basis:

Demand for soybeans and their end products has expanded rapidly in both domestic

and foreign markets in recent years. As example, the domestic consumption of soybean oil during the past 5 years has increased at the rate of 167 million pounds per year. There is every evidence to expect continued increase in this domestic market. Likewise, exports of both beans and oil have climbed rapidly and can be expected to at least equal the rate of increase of recent years, if not surpass it.

There are persistent reports that the Chinese bean production will drop sharply this year. If these reports prove true, China's share of the world bean and oil market will be available to other exporting countries. As one of the leading exporters, the United States will share in that increased demand.

The strength in the market of soybeans is indicated by the very high level of prices for beans. Even last fall, during the peak harvest months, soybean prices to farmers were well above the support level. In fact, since the Korean situation, the price received by farmers has averaged \$2.20 per bushel.

As of October 1, 1960, total stocks of soybeans were only 24 million bushels—less than 2 weeks' supply—and only 4 percent of our annual production.

It is difficult to understand the concern expressed by some with regard to increased production of soybeans. If we are to move in the direction of using our food and fiber abundance, and the productive genius of the American farmer as a part of our foreign policy—in a food for peace and freedom program—there will be greater need for edible vegetable oils. These are essential and welcomed dietary supplements to wheat, rice, dried milk, etc. We believe there is great opportunity in using additional soybean production at home, in dollar markets overseas, and for the needy both here and abroad. Even if this were not true, and assuming bean production this coming year should result in supplies above demand, the Government costs of handling and storage per acre output are considerably less for beans than for corn or other feed grains. Furthermore, if the price support level on corn is increased, as this bill would contemplate, with no increase in the bean price, we could expect a reduction in bean production.

Mr. COOPER. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 8, between lines 20 and 21, it is proposed to insert the following:

(d) The producers on any farm may elect—

(A) to increase the reduction of corn and grain sorghums under clause (1) of subsection (b) to any acreage up to 20 acres; and

(B) to increase the reduction of nonconsuming crops under clause (3) of subsection (b) and the acreage devoted to soil and water conserving uses and withdrawn from crop production or grazing under clause (4) of subsection (b) to the amount of the total feed grain reduction.

Producers electing to make an additional reduction of corn and grain sorghums acreage under this subsection shall be entitled for the number acres of each commodity represented in such additional reduction over the number of acres of such commodity represented in the required reduction to additional payments under clauses (1) and (2) of subsection (c). The additional reduction provided for by this subsection shall not be a condition of eligibility for price support.

Mr. COOPER. Earlier today I discussed the purpose of my amendment. I

will repeat my statement. The bill before the Senate seeks to secure a 30 percent reduction in the acreage which has been used for feed grain production. The amendment I have offered concerns small farms which have 20 acres or less in corn and grain sorghums; to a smaller degree it affects farms having up to 66 acres of corn and grain sorghums. In addition to the 30 percent reduction which is required under the bill, these farmers would be authorized to withdraw from production up to 20 acres of corn and grain sorghums, all under the same conditions as provided in the bill now.

Mr. CARLSON. Do I understand correctly that the amendment would permit a farmer to have 20 acres outside the corn allotment quotas, and the same with respect to sorghums, for silage production?

Mr. COOPER. Suppose a farmer has a history which shows that for 1959 and 1960 he had 20 acres in corn or sorghum. Under the bill he would be permitted to withdraw from production 30 percent of the 20 acres, or 6 acres. I pointed out yesterday that one-half of the corn farmers in the United States produce corn on 20 acres or less. It might not be economical for these smaller farmers to withdraw only the 30 percent. My amendment would permit a withdrawal of the full 20 acres. It is not mandatory.

Mr. CARLSON. That is one of the difficulties we run into when we start dealing with farm problems. Many small farm operators are seriously hurt when we begin to apply a 15 or 20 percent reduction. I would like to get something that would be of assistance to the small farmer.

Mr. COOPER. I think the amendment would do that. Suppose a farmer had 15 acres in corn last year. Under the bill, he could withdraw only 4½ acres. The amendment would permit him to withdraw his 15 acres, if he desired. It would be better for the small farmer. It would help secure one of the purposes of the bill, and that is to induce a withdrawal or a reduction of acreage. Otherwise the bill cannot be successful.

Mr. ELLENDER. As I understand the amendment, if it should be adopted it would further encourage the curtailment of grain production. Is that correct?

Mr. COOPER. It would, without question.

Mr. ELLENDER. The small farmers could take out up to 20 acres and participate in the payment program. Is that correct?

Mr. COOPER. That is the purpose of the amendment.

Mr. ELLENDER. Mr. President, this amendment would permit any producer to increase the corn or grain sorghum acreage retired by him under the bill to 20 acres.

This amendment was recommended by Senator COOPER in his individual views accompanying the committee report. It would increase the benefits of the program to farmers who might otherwise be required to retire two or three acres, or some other small number of acres, in order to obtain price support. It probably would be easier both for the

farmer and the Department in administering the act if the more substantial area of 20 acres were to be retired.

I have considered the amendment, and I have discussed it with a few members of the committee. I offer no objection to the amendment.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HRUSKA. In order that I may clearly understand the amendment I should like to ask one question. In the instance of a farmer having 30 acres, would he be able to retire 20 of those 30 acres, or would the amendment apply only to acres of farmers who have 20 acres or less?

Mr. COOPER. He could retire 20 acres.

Mr. ELLENDER. Up to 20 acres.

Mr. COOPER. It would not apply to the case of a man who had 1,000 acres, or even 100 acres. It would be necessary for a farmer to have less than 67 acres before the amendment would apply. Suppose a farmer had 50 acres of corn. Under the bill, he could withdraw 15 acres. Under my amendment he could withdraw 5 additional acres and obtain the same benefits of the program for doing so. However, the amendment is of greatest value to the farmer who has only 15 or 20 acres of corn, and wants to put the whole field in grass this year, growing no corn, as many of them did under the soil bank. That will also make the program much easier to administer.

Mr. SCHOEPEL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. SCHOEPEL. I wish to point something out with respect to the history of wheat production. In that respect we allowed 15 acres of wheat to be produced. We found throughout the country that we were getting land and farms going up and pyramiding and accelerating 15-acre tracts. We have reached the point where the 15-acre tracts are producing in the aggregate between 500 million and 600 million bushels of wheat a year. I should like to ask a question. Would the amendment permit, from a historical standpoint, a minimum or a maximum of 20 acres, whichever the owner elected?

Mr. COOPER. No. I believe this would cure the fault the Senator finds with the wheat program. Instead of permitting a grower to raise 15 acres, as under the wheat program, the amendment would permit him to withdraw the full amount, up to 20 acres.

I gave my example a few minutes ago. Suppose a farmer has 20 acres which he planted last year in corn or sorghum. Under the provision of the bill which came before the committee, he could withdraw only 6 acres. I do not think it would be much inducement to him to be able to withdraw 6 acres from production. The amendment will permit him to withdraw the entire 20 acres from production.

Mr. SCHOEPEL. It is only with reference to withdrawal? It would not permit him to grow any more?

Mr. COOPER. It is for withdrawal.

Mr. SCHOEPEL. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. DIRKSEN. Mr. President, there are some things which ought to be said about the bill in its relation to the recommendations of the task force. There were a number of task forces. I must confess to some bewilderment concerning the recommendations which the task force made. I hope no one will feel that I am intruding with any kind of partisan or political note, but I must always go back to the Gospel and Scripture.

Since this is the administration's first farm bill, I have no other way of measuring promise and performance than to go back and see what the promises were which were made last year.

In the platform of the New Frontier, there appeared a statement which, of course, distressed me somewhat last year. Probably it does not distress me quite so much now. However, I quote it:

Unimaginative, outmoded Republican policies which failed to use these productive capacities of our farms have been immensely costly to our Nation. They can and will be changed. We repudiate the Republican administration of the soil bank program which has emphasized the retirement of whole farm units, and we pledge an orderly land retirement and conservation program.

An administration task force was created. It consisted of three gentlemen, one of whom I know fairly well. The three men were J. N. Efferson, Lauren Soth, and Jesse W. Tapp. I recall when Mr. Tapp was in Government. I have always esteemed him as a very distinguished, knowledgeable citizen, a man of real discernment and analytical power.

In the report of that task force set up by the administration there was this statement:

We believe the most practical way to deal with the grain surplus is to undertake a greatly expanded land retirement program. We believe it would be unwise to raise price supports on wheat and corn under present circumstances. This would increase the problem of getting production in line with markets and would increase surplus accumulation.

That is taken from the report of the task force. They said it would be unwise to increase price supports on wheat and corn. So here is a very competent task force telling us it is unwise to do what is being done in the bill. On the theory that they are very discerning and comprehending people, who want to—

Mr. CURTIS. Mr. President, will the distinguished minority leader yield?

Mr. DIRKSEN. The Senator from Nebraska causes me to split an infinitive, but I will yield just the same.

Mr. CURTIS. I am sorry. However, so many infinitives have already been split that this one will not be noticed.

Was this task force report made before or after the election?

Mr. DIRKSEN. I think it was made after the election. I do not know at this

date, particularly, but I have a copy of the task force report before me; and since such reports have a way of becoming lost, I shall place it in the RECORD as a part of my remarks.

Mr. President, I ask unanimous consent that the task force report be printed at this point in my remarks. That will make up for the split infinitive.

There being no objection, the task force report was ordered to be printed in the RECORD, as follows:

KEY ELEMENTS OF THE AGRICULTURAL SITUATION

FARM PRODUCTION PROSPECTS

Under present Federal agricultural programs, with average weather, total farm output probably will continue to rise at a faster rate than market outlets. This means that with no change in programs, the United States will continue to accumulate surpluses. The net cost of Federal farm price supports, storage and disposal programs probably will remain in the range of recent years—\$2 to \$4 billion.

The overproduction of grain is the center of the farm surplus problem—affecting most of American agriculture directly or indirectly. During the current marketing year, the Nation is adding 400 million bushels of grain to the carryover, and this rate of accumulation probably will continue. For corn and other feed grains, there are price supports but no production restrictions. Other major commodities appear to be coming into better balance between production and market outlets, but the grain situation is becoming unmanageable.

If the grain surplus is not brought under control soon, it will spill rapidly into the livestock industries, resulting in expansion of meat, dairy products, and poultry products and sharply lower prices and net incomes for the producers of these products. The livestock industries are in fairly good balance now, primarily because of the Government programs which hold a considerable quantity of grain off the market.

PROSPECTIVE DEMAND

Expansion of the domestic market for farm products will be limited largely to growth of population. There will be more heavy eating teenagers in the population in 1965 but also more people in old age groups. The effects of changes in age groups will be largely offsetting. If consumer income grows at about the same rate as in the 1950's, per capita disposable income in 1965 will be 10 to 15 percent above the 1959 level. However, this increase in income would have relatively little effect on the per capita demand for food.

We can see little possibility of substantial expansion in export markets. Every effort should be made to increase the use of our surplus food in hungry countries by special programs and by commercial exports, but it would be unrealistic to look to foreign disposal as a solution for the farm surplus problem.

Distribution of food surpluses to needy people in this country also should be encouraged in every way possible, but the expansion in the total market for food from this source is not likely to be great.

BALANCE BETWEEN PRODUCTION AND MARKETS

If present programs are unchanged, we expect a further decline in net income of commercial farmers in the next 5 years. Gross income to commercial agriculture will increase slightly, as a result of larger volume at approximately the same level of prices. However, costs of production undoubtedly will continue to rise, so net income will continue to drift downward, although not drastically so long as present programs are maintained.

ADJUSTMENT IN NUMBERS OF FARMS

The number of commercial farms is not likely to change greatly in the next 5 years. The income squeeze is not so great as to cause a rapid reduction in the number of commercial farms. The number of farms with gross sales above \$2,500 has held approximately steady for the last decade, and the reduction has been in noncommercial farms of low productivity and low income.

The decline in total number of farms and number of people in farming will continue in the next 5 years under present programs. The speed of this movement will depend largely on the rate of economic growth for the economy as a whole and on the level of employment. If the rate of unemployment continues above 6 percent, we expect a slowing down in the rate of agricultural adjustment, because nonfarm jobs will not be available for farm people.

Income to farm families from nonagricultural sources has become increasingly important in recent years. About one-third of the total net income of the farm population came from nonfarm sources in 1959. This nonfarm income of farm people will be under pressure unless the economic growth rate is increased.

SHORT-RUN POLICIES

We believe the most practical way to deal with the grain surplus is to undertake a greatly expanded land retirement program. This land would be removed from production of any crop for market or for livestock feed or pasture. Nothing can be done about the 1961 wheat crop, since most of it is planted, but plans should be made to adjust plantings in the fall of 1961.

Participation in the land retirement program at some minimum level should be a condition for receiving price support or other benefits from farm programs. Land retired from cotton, wheat, and other crops with acreage allotments should be placed in the conservation reserve.

An effort should be made to retire a considerable acreage of land that has been planted to feed grains in recent years. We believe that a substantial increase in payments for land retirement in 1961 would be partly offset in the Government budget in subsequent years by lower costs for price supports and storage. Land retirement costs will be high, but the more money spent on this program, the lower the costs for price supports, disposal, and storage. And these expenditures for land retirement would be moving agriculture in the direction of long-run adjustment.

An effort should be made to curtail Government programs that are tending to increase production of farm products. For example, the \$250 million agricultural conservation payments might well be used as part of the fund for land retirement, instead of for enlarging the productive capacity of agriculture. Land reclamation and other programs increasing land in cultivation should be curtailed.

We believe it would be unwise to raise price supports for wheat and corn under present circumstances. This would increase the problem of getting production into line with markets and would increase surplus accumulation. The emphasis should be placed on restraining production of grains.

Cotton and rice are also in surplus, but the maladjustment of supply and demand is not as serious as for wheat and feed grains. The market position of these commodities would be improved by a general land retirement program. We believe the general level of dairy price supports should be unchanged for the next year and that surplus accumulation at this support level would not be excessive.

In our judgment, farmers would be unlikely to support rigid supply control programs at this time. We believe, however,

that they would support a comprehensive land retirement program.

LONG-RANGE POLICIES

These recommendations are as follows:

These recommendations for action in 1961 would fit in with a long-range policy of land retirement. In this long-range program, the emphasis should be on retiring whole farms so as to get a better adjustment of manpower and land resources in American agriculture.

We believe the programs for depressed areas should include some marginal areas of agriculture. The present rural development program could well be expanded to help increase the earning power of many people who are now earning little in agriculture.

We repeat, however, that long-term agricultural adjustment depends largely on the achievement of a vigorous rate of growth for the rest of the economy and the availability of nonfarm jobs.

J. N. EFFERSON.
LAUREN SOTH.
JESSE W. TAPP.

Mr. DIRKSEN. Mr. President, I also ask to have printed in the body of the RECORD another task force report to the President on a wheat program for the 1960's; and also a statement made by Charles B. Shuman, president of the American Farm Bureau Federation, at the farm conference held on January 26 by the agricultural subcommittee. I ask that they be printed in the body of the RECORD, with my remarks.

There being no objection, the report and the statement were ordered to be printed in the RECORD, as follows:

A WHEAT PROGRAM FOR THE 1960's

SUMMARY

Under the proposed wheat program:

1. The increase in CCC stocks of wheat would be stopped, and a firm timetable of carryover reduction established.
2. Treasury costs of the wheat program, now near \$1 billion each year, would be reduced by nearly one-half.
3. Feed grain production would be reduced by 4 to 5 million tons per year, and the cost of the feed grain program would be reduced accordingly.
4. Farm income would be increased.
5. The national marketing quota would be apportioned equitably among all regions and growers under uniform procedures.
6. A program to place land in conservation use, similar to programs proposed for feed grains, would be established for wheat.

INTRODUCTION

This is a report of a committee named by Senator Kennedy October 20, 1960, "to formulate a national wheat program which can be made fully effective next year." The committee worked largely within a framework of proposals made or endorsed by Senator Kennedy in the 86th Congress, and by other Senators and Congressmen. These are found chiefly in S. 3159 of the 86th Congress.

The committee was asked to consider those proposals, together with those of a number of farm organizations, and to spell out in as much detail as necessary, the blueprint of an effective, operating program. The report indicates legislative and administrative changes needed to put a sound wheat program into operation. It provides also a description of the operating mechanics of the program, and shows comparisons with the present program.

The need for change in the wheat program has been apparent for several years. Proposed legislation has failed to pass, however, and stocks of wheat and other grains owned by the Federal Government have grown year

by year. Farm incomes have declined or remained at relatively low levels. Wheat stocks may exceed 1.5 billion bushels by the time a new program could become effective for the crop to be harvested in 1962. Feed grain stocks may be near 3 billion bushels when harvest of the 1961 crop begins. Farm prices in 1961 will remain near longtime lows unless present trends are reversed. Faced with those conditions, farmers, consumers, and taxpayers agree on the need for a new farm policy. The committee believes that these groups can also agree on the elements of sound national farm policies and programs for the 1960's.

TIMING OF AGRICULTURAL LEGISLATION—1961

Passage of wheat legislation early in the 87th Congress is essential. Under present law, the Secretary of Agriculture must proclaim the wheat marketing quota by May 15 of the year preceding harvest of the crop to which the quota applies. This is followed by announcement of acreage allotments and price support levels, and by a national referendum. Wheat legislation should be passed by May 15, 1961, to be effective for 1962 crop wheat with minimum interference with farm operations. However, if new legislation were passed by August, it could apply to 1962 crop wheat. If the August deadline were not met, wheat stocks might climb to 1.8 billion bushels by 1963.

Production of feed grains is closely related to wheat production; the two are inseparable from the standpoint of public policy. Much of the difficulty in farm programs the past decade has resulted from failure to prevent land taken out of wheat from being planted to other crops, chiefly feed grains. Passage of feed-grain legislation early in 1961 is perhaps as important as early approval of a new wheat program. Serious consideration should be given either to establishment by new legislation of a land retirement program for feed grains in the late winter, or to full use of present administrative authority to reduce feed-grain plantings in 1961. Addition of 6 to 8 million tons of feed grains to stocks from the 1961 crop might thus be avoided.

DOMESTIC AND INTERNATIONAL FOOD DISTRIBUTION PROGRAMS

Before further restrictions on agricultural production are accepted as national policy, efforts should be underway to expand food consumption among low-income people at home and abroad, and to define our own food reserve needs for national security. Neither a firm schedule of production requirements nor a timetable of reductions in grain stocks can be established until these important responsibilities are fulfilled.

The American people and friendly foreign nations have been assured that the new administration would apply food distribution programs sympathetically and wisely, that the international food-for-peace program would be administered vigorously, that food reserves for civil emergencies at home would be studied and proposed, and that efforts to establish food reserves for friendly nations through the United Nations would be accelerated.

The quantity of annual marketings of wheat, the extent of land retirement needed to reduce feed grain output, and the rate of reductions in Commodity Credit Corporation (CCC) stocks depend heavily on decisions in these matters. Once utilization of our abundant food supplies has been pushed to the limits of the public interest at home and abroad, reductions in annual production could be recommended with a clear conscience.

A NATIONAL MARKETING QUOTA FOR WHEAT

The national marketing quota for wheat under existing law is in practice, all that can be produced on the statutory 55-million-acre national allotment. But that statutory marketing quota is supplemented by pro-

duction from about 4 million acres planted in excess of the national acreage allotment under an exemption granted in the existing law. Under present conditions, about 1,250 million bushels of wheat are expected to be produced each year. From 100 million to 250 million bushels will be added to CCC stocks each year under the existing program. Budget costs will rise accordingly until the program is changed.

The commitment to support the price of all that can be produced on an excessive acreage allotment is a serious weakness in the wheat program. It requires CCC to add to its stocks in most years in order to meet its price support obligations.

The principal provision in the proposed Wheat Marketing Act of 1960 of the 86th Congress, and the major proposal in this report, is to terminate the open-end price support commitment of present law and to support the price only of a stated volume of wheat marketed in any year. A second major provision would require the Secretary of Agriculture to set the national marketing quota somewhat below annual disappearance so long as excessive wheat stocks exist, permitting wheat to be removed from CCC inventories at a price level to be established by Congress. The CCC sale price would become, in effect, the level of price support for wheat.

These key changes would introduce significant budgetary control into a program which is not now subject to such control, and in which budget estimates have been notably inexact.

Subject to a decision that it will be in the national interest to reduce wheat stocks at a different rate, the committee recommends that the national marketing quota be set initially at a level which would permit a net reduction in CCC stocks of 150 million bushels of wheat in the first year of operation of the program, and 100 million bushels in each subsequent year, so long as stocks are excessive.

Thus, the national wheat requirement for primary use, or the national marketing quota, would be the number of bushels estimated by the Secretary to be used as human food in the United States each year (including members of the Armed Forces outside the United States), plus the amount to be exported either as wheat or wheat products during the year under all export programs, less 150 million bushels (later 100 million) which would come from CCC stocks. If total disappearance of U.S. wheat in the first year of the program was equal to 1960-61 disappearance, the wheat situation would be as shown in column 1 of the example below. A smaller estimated disappearance would require a smaller national marketing quota, as in column 2 of the example.

Producers would receive certificates to market 900 million bushels the first year, and 950 million bushels in subsequent years for milling and export, even though the two uses required 1,050 million bushels. The remainder would come from limited release of CCC stocks into the open market at prices determined according to criteria established by Congress.

Example 1
[In millions of bushels]

	Col. 1	Col. 2
Estimated disappearance:		
Domestic food.....	500	500
Cash exports.....	150	150
Public Law 480 and all other exports.....	400	350
Total.....	1,050	1,000
Estimated supply:		
National marketing quota.....	900	850
CCC.....	150	150
Total.....	1,050	1,000

If in any year the disappearance of wheat for domestic food and exports exceeded the Secretary's estimate, CCC stocks would be reduced by more than was expected. If disappearance fell short of the estimate, stock reduction would fall behind schedule. It would appear equitable to share the effects of such errors between wheat producers and the public in subsequent marketing periods. Thus, if CCC stocks were reduced by as much as 200 million bushels in the first year, or by 150 million bushels in a later year, the national marketing quota estimated by the Secretary for the succeeding year might be increased by half the excess, giving producers half the gain from the larger sales and retaining half the gain for the reduction in CCC stocks.

If CCC stock reduction fell behind schedule in any year by as much as 50 million bushels, the national marketing quota for the succeeding year might be reduced by half the shortfall, so that producers, through reduced marketings, and the public, through slower stock reduction, would share the burden of unexpected reductions in wheat sales.

The program would not depend upon carryover reduction for successful operation. Once wheat carryover was down to normal, the national marketing quota would be equal to expected disappearance for food and export. Prices would be stabilized through buying and selling by CCC. Great operational flexibility for CCC would be required to reduce stocks in the early years of the program. Similar flexibility would be needed to stabilize and support prices without accumulating stocks in later years. Establishment of a statutory minimum national marketing quota comparable to the present minimum national acreage allotment, in place of a marketing quota to be determined by the demand for wheat and the urgency of carryover reduction would seriously hamper CCC inventory operations.

APPORTIONMENT OF THE NATIONAL MARKETING QUOTA

Under present law, the national acreage allotment, and implicitly, the national marketing quota, are apportioned among States, counties, and farms on the basis of acreage history in the preceding 10 years, adjusted for unusual circumstances. In addition, under a 1941 amendment to the wheat program, producers with allotments less than 15 acres may harvest wheat from as much as 15 acres and market it without penalty. In recent years, this provision has had the effect of adding 4 million acres to wheat harvested and 100 million bushels to marketings each year.

It was recognized by the committee that wheat produced under the exemption granted growers with small acreages was grown under the law, and is a legitimate addition to acreage and production history. It is recommended that the average acreage harvested in excess of the national acreage allotment in the 3 years preceding the effective date of the new program but not more than 15 acres per farm, be added to the national base acreage prior to apportionment of the national marketing quota. In this way, all marketing rights would be apportioned under uniform regulations, a significant improvement over the present program. Producers now planting under the marketing quota exemption would receive about the same credit for wheat acreage history as would producers now subject to the marketing quota.

The committee understands from preliminary study that the national base acreage would be increased by about 3 million acres by this action, and that the share of the national marketing quota which would be apportioned to farms formerly planting under the marketing quota exemption would be about 50 million bushels greater than if credit had not been given for previous acreage in excess of the farm acreage allotments.

This is a major change from the provisions, but not the effect or intent of the Wheat Marketing Act of 1960. There, the national marketing quota would have been apportioned according to the national base acreage, excluding plantings under the exemption in recent years, weighted by normal yields. Growers who had been planting in excess of their allotments but who had base acreages less than 15 acres, would have been permitted to apply for an increase in their base acreage and marketing quota. Marketing under this provision would have been in addition to the national marketing quota for primary use. The effect would have been to increase the supply of wheat by perhaps 40 to 70 million bushels above the primary marketing quota, and to slow the reduction in CCC stocks by a similar quantity each year.

NORMAL YIELDS

Normal wheat yields have been established in most counties and on many farms. In the past they have served as a basis for soil bank payments, and for computation of penalties for wheat planted in excess of acreage allotments. Normal yields would assume new importance in a bushel marketing quota program. Base acreage times normal yield, reduced by a factor to be determined by the Secretary, would become the State, county, and farm marketing quotas. It is recommended that normal yields be studied thoroughly, and that they be revised administratively under uniform regulations where indicated, to assure equitable apportionment of National, State, county, and farm marketing quotas.

WHEAT IN RELATION TO FEED GRAINS: THE PLACE OF LAND RETIREMENT AND CONSERVATION IN THE WHEAT PROGRAM

Just prior to reactivation of the wheat acreage allotment program for 1954 crop wheat, about 80 million acres were planted to wheat each year. With some adjustments, this is the national wheat base acreage of nearly 82 million acres.

By the late 1950's, largely because of acreage allotments, wheat was harvested from only 49 to 50 million acres of that base and from about 4 million acres under the exemption described above. The remainder, near 30 million acres, was chiefly in feed grains, with small acreages in soybeans, minor crops, and summer fallow.

Permitting land taken out of wheat to be planted to other crops indiscriminately is a serious weakness in the present program, one which ought to be remedied.

The national marketing quota described above, plus 100 million bushels to be used for seed and to maintain present levels of wheat feeding, can be produced on 45 million acres in the early 1960's, 8 million acres less than are presently used in wheat production. Land diverted from wheat would be used to produce grains for feed in the absence of legislation preventing it. At least 10 percent of the wheat base acreage, the equivalent of 8 million acres now producing wheat, would have to be removed from production of grains for harvest to avoid increasing the feed grain supply as a result of the reduction in wheat marketings.

If wheat producers were required to reduce plantings of grain crops by 20 percent of their base acreage as a condition for receiving a marketing quota, or if incentive payments were offered high enough to attract that amount of land to a conservation use, land from the wheat base, now in feed grains, would be reduced substantially as shown in the tabulation. Such a program would be comparable to land-use programs under discussion for the Corn Belt.

Disposition of wheat base acreage

	1958-60	1962, 20 percent of base acres idled
Producing wheat for market.....	39.0	42.0
Producing wheat for seed and feed.....	3.0	3.0
Producing wheat for stocks.....	8.0	0
Abandoned or not seeded to wheat.....	5.0	5.0
Grains for feed; soybeans, additions to summer fallow, etc.....	24.7	17.8
Land retired from cultivation.....	2.3	17.2
Total.....	82.0	85.0

The committee believes that a wheat program which would not worsen the feed-grain situation could be formulated and implemented without a comparable feed-grain program. However, with feed-grain stocks excessive, it may be desirable to propose a feed-grain program in which resource use and production would be reduced in traditional feed-producing areas by amounts similar to the reduction in grain production proposed here for specialized wheat-producing areas.

Cornrowers are rightly sensitive to the possibility of turning wheat lands to feed production. It would require not only a well-designed wheat program, but also an intensive educational effort to assure them that this would not once more be the result of changes in the wheat program. Similarly, wheat producers can scarcely be expected to bear the main burden of reduction in grain output, and might welcome a comparable program in corn areas.

PAYMENT FOR LAND RETIREMENT

Under the proposed Wheat Marketing Act of 1960, producers would have been required to reduce crop acreage by 10 percent of their wheat base acreage without compensation, and an additional 10 percent for compensation if funds were available.

If compensation under the land conservation program were equal to 50 or 60 percent of gross value of crops per acre, the increase in wheat prices needed to provide an adequate return to farm producers through the market would be smaller.

WHEAT PRICES AND INCOME FROM WHEAT PRODUCTION

Immediate steps should be taken to define parity income in concrete terms. Once defined, it should be achieved as rapidly as possible.

Wheat prices near 100 percent of parity (now \$2.35 per bushel) were the goal of proposed legislation early in 1960. The committee recommends that the prices at which meat will be supported in the next several years be established at levels which will most nearly reach parity of income.

This is illustrated for a 160-acre farm, which prior to 1953, planted 120 acres of wheat and fallowed 40 acres. Since 1955, this farm would have had a wheat acreage allotment of 80 acres; 1,600 bushels of wheat would have been produced and 1,472 bushels marketed; 40 acres would have been in fallow and 40 acres in sorghum grain, producing 800 bushels.

Under the proposed program for 1962, this farm would have a marketing quota of 1,148 bushels, and would continue to use 128 bushels for feed and seed. These amounts could be produced on 62 acres. Thirty-four acres in grain sorghum would complete the cropping program. Land in crops would be reduced by 24 acres, or by 20 percent. If compensation of \$15 an acre were paid on only half that acreage, and the wheat price increased to \$2.25 per bushel, comparative incomes would be as shown in the example.

Example 2

1958-60:	
Sale of wheat (1,472 bushels at \$1.75).....	\$2,576
Sale of sorghum (800 bushels at \$0.85).....	680
Land retirement income.....	0
Gross income.....	3,256
Cost of operation.....	2,400
Net income.....	856
1962:	
Sale of wheat (1,148 bushels at \$2.25).....	2,583
Sale of sorghum (680 bushels at \$0.85).....	578
Land retirement income (12 acres at \$15).....	180
Gross income.....	3,341
Cost of operation.....	2,280
Net income.....	1,061

If compensation for placing land in a conservation use were paid on the full 24 acres at a slightly higher rate of \$18 per acre, net farm income could be raised with a smaller wheat price increase.

The committee recommends that if it is found to be appropriate to increase wheat prices substantially, payment should be made for only part of the land taken out of production. If full payment is made, some limits should be set on the amount of any farm which could be contracted for compensation.

With the price at the level specified in the example, the export subsidy would increase from 60 cents to about \$1.10 per bushel. The cost of wheat for food would increase about seven-tenths of 1 cent per 1 pound loaf of bread.

The committee recognizes that these two factors would raise important objections to a large price increase. A more modest price goal would minimize these objections, while increasing the need for compensation to avoid a further decline in farm income.

TREASURY COSTS

The cost of the present wheat program is about \$1 billion a year. The proposed program, either with large land use payments, or a sizable increase in the price of wheat (and the export subsidy) would reduce costs by about half.

Annual cost of wheat program

[In millions of dollars]

	Present program	Proposed program
CCC acquisitions of wheat.....	300	0
Storage, transportation, etc.....	400	1200
Export subsidy (500,000,000 bushels).....	300	400
Land use and conservation.....	0	300
Total.....	1,000	900
Less receipts from CCC sales.....	0	200
Less savings from reduction in feed grain production and CCC acquisitions from wheat base acreage.....	0	150
Total.....	1,000	550

¹ After about 5 years.

ACCEPTANCE BY WHEAT PRODUCERS

Under present law, only producers with allotments greater than 15 acres are eligible to vote in the wheat marketing quota referendum. Under this proposed program, all wheat producers would be subject to the provisions of the marketing quota, and, therefore, would be eligible to vote in any referendum held. The committee recommends that if this program is offered to producers as an alternative to another program, a simple majority, or at least less than a two-thirds majority, should be enough to place the program into operation.

If this program were offered as an alternative to the present program and should fail to pass, it would be essential that fur-

ther steps be taken, since present law is clearly untenable. Hearings were held in both sessions of the 86th Congress on proposed amendments which would be improvements over present law.

OWNERSHIP AND REDISTRIBUTION OF MARKETING RIGHTS

Under present law, marketing rights are attached to land. No change is proposed here. However, in order to make it possible for new growers to receive marketing quotas, it is recommended that a reserve of not to exceed 2 percent of the quota of each county be maintained for distribution by the county committee.

Also, a system should be established under which the marketing quotas of growers with production history, but who do not market wheat for several years, might be distributed to growers who wish to market wheat. This loss of marketing quotas by producers would not apply to those farmers who failed to produce because of weather conditions, or participation in the land retirement program. Lacking such a provision, a large backlog of unused marketing quotas might accumulate in some areas.

PROBLEMS OF TRANSITION FROM PRESENT TO IMPROVED PROGRAMS

After the effective date of this program, millers could not process wheat for flour unless it was covered by a certificate of primary use. To insure minimum disruption, CCC should issue such certificates to millers in the amount needed to cover working stocks of millers and exporters until new crop wheat is marketed under 1962 certificates. Details of this transition should be developed by specialists in consultation with representatives of millers and exporters.

CONTINUATION OF LOAN PROGRAM

Low market prices might occur at harvest, just as under the present program. To avoid large losses to producers who must sell at harvest, a loan program at a rate at least as high as in the present program should be maintained. Since market prices should be near the level at which CCC may dispose of its stocks during most of the year, little grain should be acquired by CCC under the program except through neglect on the part of the producer to redeem his loan at the higher price. Continuation of the loan program would also make it possible for growers and merchants holding old crop wheat when the new program became effective to avoid the large losses they would incur if they had to sell it at feed grain prices.

DEMOCRATICALLY ELECTED FARMER COMMITTEES

Consideration should be given to improving the election procedure for farmer committees which administer farm programs—especially to direct election of county agricultural stabilization and conservation committees.

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION

(Presented by Charles B. Shuman, president, at Conference of Farm Organizations and Commodity Groups called by Secretary of Agriculture Orville Freeman, Washington, D.C., January 26, 1961)

We are happy to participate in this conference. We agree that there is a real need for a careful reappraisal of existing problems, probable causes, and proposed solutions. Above all, we need to take account of our experience to date with the difficulties and problems inherent in the use of political processes to solve economic problems.

As an introduction to our recommendations I would like to say a few words about Farm Bureau, its members, and their philosophy.

Farm Bureau is an organization of 1,600,-792 farm families with member units in 2,-674 counties in 49 States and Puerto Rico. Our policies are developed through an extensive policy development program which involves study, discussion, and action by the members, and their elected representatives, at literally thousands of meetings each year. Every member has the opportunity to participate, and all are encouraged to do so. We do not claim this process to be perfect. We are constantly seeking to improve it; however, we are proud of the fact that our policies reflect the active participation of hundreds of thousands of members.

As a general farm organization—representing members who live in all important farming areas and produce all of the many farm products grown in this country—Farm Bureau must, of necessity, reconcile regional and commodity differences. Our goal is to serve the best interests of agriculture from an overall standpoint and to do so on a basis consistent with the national interest. For example, our policies on international trade reflect an effort to strike a reasonable balance between the demands of some farm commodity groups for protection from imports and the more general interest of agriculture and the Nation in a high level of mutually advantageous trade with other countries.

While we hope, and expect, to find areas of agreement at conferences such as this, it should be made clear that Farm Bureau leaders are not free to compromise basic principles set forth in the policy resolutions as developed by the membership. At times this means that we cannot reach agreement with other organizations—who also have a responsibility to represent the views of their members. Such an expression of divergent viewpoints is both inevitable and desirable. After all, the final responsibility for public policy determination does not rest with private groups. It is the function of private organizations to represent the views of their members.

It is the function of the Congress to reconcile conflicting recommendations and to determine the policy that will best serve the national interest. The Congress should not encourage—or permit—either the executive branch of Government or private organizations to perform its role in policy formulation. We intend to insist that the Congress discharge its responsibility in this regard.

OBJECTIVES, GOALS, AND PHILOSOPHY

A major objective of Farm Bureau policy is to create conditions which will make it possible for farmers to earn and get high per-family real incomes in a manner which will preserve freedom. You will note that we stress per-family real income. Farmers don't spend national income statistics. It would be easily possible to increase national farm income, and at the same time reduce substantially the incomes of most commercial family farmers. We would expect this to happen if it should become national policy to reward inefficiency in order to keep a larger than needed number of people on the land.

Our philosophy with respect to Government programs for agriculture is summarized in the following extracts from the policy resolutions adopted by the elected voting delegates from member State organizations at our most recent annual meeting (December 1960).

The fundamental basis for farm prosperity includes factors outside agriculture which affect the farmer's cost of operation; availability of free competitive markets for his products; his freedom and opportunity to make the best possible use of his individual resources; and the real value of his income dollar.

In order for farmers to prosper and keep pace with other groups in a changing world,

we must have national policies that will contribute to:

1. High employment and rising productivity throughout the economy to provide the basis for rising living standards and a high level domestic demand for farm products.

2. A relatively stable general price level in order to avoid the painful economic and social disruptions that inevitably result from inflation and depression.

3. Effective and widespread competition as a means of promoting individual incentive and the efficient use of scarce resources. This means that no group—whether it be business, labor, agriculture or the Government itself—should be permitted to exercise monopolistic powers.

4. The expansion of trade with other nations on the basis of mutual advantage. This is essential to our continued economic growth.

Recognizing the need to determine the appropriate role of the Federal Government in agriculture, we need to establish a yardstick by which proposed Government policies for agriculture can be measured.

Government programs for agriculture should: Aid farmers in solving their own problems; promote efficiency in farming; be consistent with the law of supply and demand; provide economic opportunity for farm people; preserve the competitive principle; insure ample research; stimulate market expansion; insure our ability to feed an increasing population.

Government programs should not: Stimulate excessive production; permit development of monopolies; freeze historical production patterns; open the way to price fixing; erode individual freedom; impede orderly marketing; shift adjustment burdens from one group of producers to another.

RECOMMENDATIONS

Recent discussions of farm problems have tended to obscure the fact that farmers have been hurt more by rising costs than by falling prices. The alltime high for net farm income was \$17.3 billion in 1947; when gross income was \$34.4 billion. In 1960 gross income totaled an estimated \$37.7 billion—\$3.3 billion above 1947 and the second highest on record—but higher costs pulled net income down to \$11.4 billion. Thus, gross farm income has gone up \$3.3 billion since 1947, but production expenses have gone up \$9.2 billion and net farm income has dropped \$5.9 billion. The upward trend in farm production costs is primarily a result of inflation, which has reduced the purchasing power of the dollar, and the ever-increasing use of purchased supplies.

Our first recommendation is that the Government take effective steps to stabilize the value of the dollar, and that possible effects on farm costs be taken into consideration in connection with all Government policy decisions.

The need for new farm program legislation varies considerably from commodity to commodity.

Although imperfect in some ways, the Agricultural Act of 1958 has resulted in a substantial improvement in the cotton and rice situations. In the case of cotton (1) domestic consumption and exports have increased; (2) the carryover has been reduced from an alltime high of 14.4 million bales on August 1, 1956, to a prospective 7 million bales or less for August 1, 1961; (3) the upward trend in foreign production has leveled off; (4) domestic consumption of rayon has declined; (5) the export subsidy rate has been reduced; and (6) the national acreage allotment has been increased.

In the case of rice, the carryover has been reduced from 34.6 million hundredweight on August 1, 1956, to a prospective 9.1 million hundredweight for August 1, 1961. It should be noted, however, that export subsidies under the payment-in-kind program have been

relatively higher for rice than for any other commodity.

In view of the progress that has been made under the 1958 act, there is no need for new legislation on either cotton or rice. The important need is to administer the existing law so as to continue the progress that has been made.

The announced 1961 cotton allotment represents increases of 13.2 percent over the 1960 allotment as originally issued, and 5.3 percent over the 1960 allotment as revised to include the additional acreage allocated under the choice B program. We believe that this allotment should be allowed to stand without change. There remains, however, the question of the 1961 support price for cotton.

A support price which forced an increase in domestic cotton prices would tend to encourage the use of synthetics, to increase the subsidy cost of maintaining a high level of cotton exports and to create new surpluses. In view of this, we recommend that the support price be above 70 percent, but not more than 75 percent of the parity price—that is, somewhere between the legal minimum for 1961 and the percentage applicable to choice A cotton of the 1960 crop.

The 1961 rice allotment has been set at the legal minimum which means that it is the same as in each of the preceding 5 years. In view of the progress that has been made in reducing the carryover, we believe that it would be appropriate to raise the national allotment somewhat as an offset to the reduction in price support authorized by the act of 1958. This would make it possible to continue the present level of rice exports without increasing the cost of the special programs needed to move rice abroad.

Compromise legislation was enacted on tobacco last year, and we do not wish to recommend any important changes in the tobacco program at this time. We want, however, to make it clear that we regard the tobacco program as a special case and not as a model that should be copied for other crops.

We recommend no change at this time in the peanut program.

New legislation will be needed for sugar and wool; however, time will not permit discussion of the special problems faced by the producers of these commodities whose production is less than domestic requirements.

The supply-demand situation in the dairy industry has been favorable in recent years. Government stocks have been reduced from the peak levels of a few years ago, and are still low; however, recent developments suggest that this favorable condition may change. The rate of decline in cow numbers has slowed while production per cow has continued to increase. Support prices for manufacturing milk and butterfat were raised in September 1960, for the period ending March 31, 1961, and this is likely to encourage greater production.

To provide assurance that dairy farmers will not again be confronted with surplus stocks, we urge that the present price support program be replaced by one that will keep the dairy industry on a sound basis.

We recommend that the basis for price supports on manufactured dairy products be shifted to a percentage of average market prices during the immediately preceding 3 years.

We oppose the use of production controls in the dairy industry. Analysis of proposed quota plans indicates that they would lead to reduced efficiency, limited opportunity, increased costs, lowered farm incomes, and the prevention of desirable changes in production and marketing.

Such plans would impose undue hardship on young farmers, other new producers, and those desiring to enlarge their size of business to increase efficiency.

We also are opposed to plans for the Government to transfer income from some dairy farmers to other dairy farmers by taxing or penalizing the production of dairy products.

There are no Government price support or production adjustment programs in effect for poultry, hogs, beef cattle, or fruits and vegetables. None is wanted, and none is needed. Producers of these commodities have demonstrated that they can and will adjust production in response to changes in market prices. The increase in hog prices from \$11.30 per hundredweight in December 1959 to \$16.20 per hundredweight in December 1960 illustrates the point, as does the increase in egg prices from 31 cents per dozen in December 1959 to 44 cents per dozen in December 1960.

The soybean situation is also favorable. Prices are above the support level and have been rising in recent weeks. The soybean program is an excellent example of what can be accomplished when price supports are used to facilitate orderly marketing rather than to fix prices at an artificial level. It would be a serious mistake to raise the support price, as this would encourage excessive production. It is not safe to raise a support price merely because market prices are above the support level. A guarantee encourages expansion by reducing risk.

Legislation is urgently needed to help farmers correct the unsatisfactory conditions that have developed in wheat and feed grains. The wheat program is a classic example of the difficulties involved in any attempt to fix prices and control production legislatively. The feed situation has been seriously aggravated by programs that have diverted millions of acres from controlled crops to feed grains, oilseeds, and forage.

The feed-grain surplus did not result from the elimination of corn allotments under the Agricultural Act of 1958—85 percent of the 1960 corn carryover was accumulated before the present corn program became effective. The corn allotment program did not restrict total grain production—it merely encouraged farmers to shift from corn to other feed grains and oilseeds.

It makes no sense at all to restrict production of one grain and let producers plant their diverted acres to another grain. We must face up to our surplus capacity problem on an over-all basis.

Farm Bureau's recommendations for doing this are set forth in the following policy resolutions entitled "Cropland Adjustment Program":

In order to assist growers of feed grains, wheat, soybeans, and flax in adjusting production to market needs and provide for an orderly liquidation of Government surpluses, we reaffirm our support of a properly designed and administered program to adjust production through land retirement.

Specifically, we recommend a temporary program which provides that:

1. The Secretary of Agriculture shall determine annually the overall acreage adjustment of feed grains, wheat, soybeans, and flax necessary to bring production in line with anticipated disappearance. The Secretary shall also establish annually the percentage of cropland which must be placed under contract to qualify for price support on these commodities.

2. To be eligible for price supports on wheat, feed grains, soybeans, and flax, producers must participate in the cropland adjustment program. Cropland already in a retirement program shall be counted in determining compliance with this requirement. Producers of other commodities may also participate. (Whole farm participation should be encouraged.) Any cropland retired under the program in excess of the minimum requirement for price support must be placed under contract for at least 3 years.

3. Cropland adjustment payments shall be made at a level which will encourage suf-

ficient voluntary participation to attain the desired adjustment.

4. Adjustment payments may be made in cash or in kind. Emphasis should be placed on payment in kind, with care to minimize disturbance of the market price structure for grain.

5. Cropland retired under this program must be in addition to land normally left idle or fallowed.

6. Acreage retired under the program may not be harvested or grazed.

7. A maximum limit shall be placed on the percentage of cropland acreage that may be retired in any county after allowing for the minimum acreage required for price support. Acreage retired under previous programs shall not prevent participation in the annual adjustment programs.

8. Wheat acreage allotments shall be terminated.

9. The price support level on corn shall be related to the acreage price received by farmers during the immediately preceding three years. The support levels for other feed grains and wheat shall be comparable to the level for corn with adjustments for

differences in weight, nutritive value, buyer preference, and supply-demand conditions.

10. Adequate measures shall be taken to protect farmers from the competition of Commodity Credit Corporation sales from accumulated stocks.

The cropland adjustment program outlined above proposes to remove a basic cause of continuing low farm income by starting an immediate reduction of the agricultural productive plant to a size which will better fit farm output to market needs and open the way to orderly liquidation of accumulated Government stocks. It provides for voluntary participation by producers of all crops but requires producers who wish to qualify for price support on wheat, feed grains, soybeans, and flax to participate. Greatest emphasis is placed on the retirement of land from wheat and feed grains as these crops are in most serious surplus difficulty. The exact extent of acreage reduction necessary to bring forth the desired cut in output is very difficult to determine.

Table I shows the output-use picture of wheat and feed grains in recent years and current carryovers.

TABLE I.—Average output, disappearance, and carryover of wheat and feed grains, 5 crop years, 1956-60

Crop	Average production	Average use ¹	Production as percentage of use	Estimated 1961 carryover	Estimated 1961 carryover as percentage of 1960-61 use
Wheat.....million bushels	1,181	1,091	108	1,526	132
Corn.....do	3,862	3,678	105	2,094	52
Sorghum grain.....do	521	402	130	675	124
4 feed grains ²million tons	152.5	144.8	105	85.6	54

¹ Including exports.

² Includes corn, sorghum grain, oats, and barley.

Assuming that market growth over the next few years will be at least proportional to output growth due to improving yields per acre, a reduction in output of 5 to 7.5 percent will just about balance current production with current market needs. Any output reduction in excess of this amount will provide opportunity to start liquidation of Government stocks; however, experience with past land retirement efforts, indicates that the percentage cut in acreage would have to be substantially larger than the indicated percentage reduction in output in order to balance supplies with demand.

Table II shows approximate cropland acreage nationally, how the acreage is currently being used, and what the status of land devoted to specified crops would be under the proposed adjustment program.

TABLE II.—U.S. cropland acreage by principal uses

(In thousands)

Cropland, grouped by principal use	Planted acreage
Group A—To be supported (without acreage controls): ^{1,2}	
Corn (all).....	82,906
Wheat (all).....	55,633
Oats, barley, rye.....	52,177
Sorghum (for grain).....	15,444
Soybeans (for beans).....	23,516
Flax (all).....	3,527
Subtotal, group A.....	233,203
Group B—To be supported (with acreage controls): ^{1,4}	
Cotton.....	16,068
Rice.....	1,614
Peanuts.....	1,579
Tobacco.....	1,144
Subtotal, group B.....	20,405
Group C—Other crops and uses: ⁵	
Conservation reserve.....	28,432
Hay, cropland pasture, other crops, fallow, idle, failure, etc.....	177,609
Total cropland, all uses ⁵	459,649

¹ Planted acreage for 1960 as reported by USDA.

² Producers of these commodities desiring price support must participate in the proposed cropland adjustment program.

³ Currently supported and controlled, but controls to be terminated under Farm Bureau proposal.

⁴ Participation in the proposed cropland adjustment program is not required for price support on these commodities.

⁵ 1954 U.S. Census of Agriculture; data now used by USDA in land retirement computations. New census data to be available in about 6 months.

⁶ Under contract in 1960.

Under the Farm Bureau proposal all land listed in table II under groups A, B, and C—except for an amount in group C equal to that which is customarily summer fallowed or left idle—would be eligible for the land-retirement program on a voluntary basis.

The acreage allotment applicable to crops listed in group B would not be affected by the cropland adjustment program; however, farmers entering the program to qualify for price supports on a grain or oilseed crop would be required to retire a designated percentage of their total cropland. For example, if producers should be required to retire 15 percent of their cropland to qualify for price supports on a grain or oilseed crop, a producer with 200 acres of cropland would be required to retire 30 acres even though he might have a 25-acre cotton allotment. If such a producer wished to ignore the program he could still get price support on his cotton by complying with his cotton allotment, but he would be ineligible for support on grain and oilseed crops.

The proposed cropland-adjustment program includes a new wheat price-support plan whereby the national level of support for wheat would be comparable to the national level for corn after adjustment for differences in weight per bushel, nutritive value, buyer preference, and supply-demand conditions. Under a relatively free market system there is, of course, normally a considerable range between market prices of the lower and higher grades of wheat.

In order to insure that market prices of all commodities affected by this program reflect the full value as determined by the current year's production relative to demand, the proposal calls for steps to minimize competition from CCC surplus holdings. A major need in this area is to increase the margin between support prices and the prices at which the CCC can sell accumulated stocks for unrestricted use.

One of the more frequent questions regarding provisions of our proposal is: "Won't the termination of wheat allotments result in a big increase in wheat production?" Obviously, this question cannot be answered positively; however, a few points to consider are:

1. Total cropland acreage will be reduced substantially by the program. Payments should be sufficiently high to attract considerable wheat land into the program.

2. While an expansion of wheat acreage is to be expected in the traditional wheat country, average yields are lower in that area than in the newer wheat-growing areas where acreage is likely to decline.

3. Any increase in wheat acreage will, for the most part, mean at least a comparable reduction in the acreage of some other crop—principally barley and sorghum.

4. The lower Government price guarantee for wheat will tend to expand wheat markets and reduce the incentive to increase yields by greater use of fertilizer, irrigation, and other expensive yield-improving practices.

5. Many farmers who are now growing wheat in higher cost areas under the 15-acre quota exemption will likely find it more profitable to shift to the production of alternative crops as the support level on wheat is adjusted downward.

Farm Bureau's cropland adjustment program is a package proposal. It is designed to achieve needed adjustments in grain production on a basis consistent with individual choice in a market system. While we have proposed that participation in the cropland adjustment program be made a condition of eligibility for price support on wheat, feed grains and oilseeds, major emphasis is placed on the use of cropland adjustment payments to encourage voluntary participation on the part of producers of all commodities in a land retirement program.

Under such an approach it is essential that the price support program be made consistent with production objectives. This means that price supports should facilitate orderly marketing rather than fix prices at artificial levels. By encouraging voluntary adjustments in land use the cropland adjustment program will get adjustments in the areas and on the farms where it is most needed. The provision for the voluntary retirement of whole farms will make it possible for some individual farmers to retire or shift to off-farm work. At the same time it will reduce the amount of cropland other farmers will have to retire as a condition of eligibility for price support.

Some may suggest that the solution to our problems is to raise support prices, set quotas in terms of volume and force farmers who wish price supports to retire a percentage of their cropland without direct compensation. This alternative is unacceptable to Farm Bureau. The point at issue is not simply a question of the means to be used in retiring cropland; it is a matter of ultimate goals and objectives. A program of higher price supports and greater compulsion means increased Government control of individual farming operations, reduced efficiency, smaller markets, increased export program costs and the capitalization of program benefits. Farm Bureau's cropland adjustment program moves in the opposite direction.

In order to solve the total grain problem, wheat must be placed on a compara-

ble basis with corn and other feed grains. Wheat producers have a right to compete for a share of the feed market; but only if they are willing to compete on a fair basis. We cannot agree to a multiple price program which would have the effect of dumping surplus wheat into the feed market on an unfair, subsidized basis—thus adversely affecting the incomes of all producers of feed grains and livestock, dairy and poultry products.

We also are opposed to compensatory payments, and the various proposals for comprehensive supply control—or supply management, if you prefer the latter term.

The compensatory, or direct production, payment approach is unsound and dangerous to our economic and political system.

Regardless of the form in which it is presented, a direct payment program would be fantastically expensive. It would stimulate production, increase average costs, depress market prices, and make farmers dependent on congressional appropriations for their net farm income and a part of their production costs as well.

The payment approach carries a "cheap food" philosophy; however, in actual practice it would encourage inefficiency and thereby result in high food and fiber costs. Limitations on payments to individuals are inevitable. Such limitations would place a ceiling on opportunity in agriculture and level individual farm incomes downward.

There is no magic in the supply management approach. It is simply another effort to fix prices at artificial levels and to ration the right to produce farm products. Production cannot be controlled effectively by legislation as long as producers are guaranteed attractive prices.

The difficulties of making controls work cannot be solved by turning the development of farm programs over to producer committees. It is fallacious to assume that the producers of a commodity are the only people interested in programs for that commodity. Congress should retain responsibility for determining major provisions of commodity programs as it is the only body where all of the affected people are represented.

Under existing law marketing quotas are subject to producer referendums. It is frequently inferred that objections to new control programs could be removed by submitting them to similar referendums. This is not necessarily true. The first question that arises is "who is to vote?" It is customary to restrict voting to producers of the commodity in question, but they are not the only ones who are affected by the outcome. Producers of feed grains, livestock, poultry, and dairy products, and other uncontrolled commodities have been adversely affected by the diversion of acreage from the quota crops. Producers of feed grains, livestock, poultry, and dairy products certainly should be permitted to vote on any proposal to dump surplus wheat in the feed market.

Aside from the question of "who votes?" it should be clear that nothing can be solved by a referendum unless producers are given realistic alternatives. Bad programs will not work any better simply because they have been approved in a producer referendum. The wheat program has gotten into serious trouble even though it has been repeatedly approved in referendums where voting eligibility is restricted to producers who expect to plant 15 acres or more.

NONFARM IMPLICATIONS

The cropland adjustment program is designed to help farmers solve the problems of overcapacity, accumulated stocks, and low farm income. It would benefit consumers by causing farmers to produce for the market rather than for Government storage; by conserving land and water resources for future

needs; and by reducing the tax cost of Government farm programs.

It is not designed, or intended, to solve the problems of depressed areas, or needy persons. It would, however, contribute to the development of the internal economy of the United States by encouraging a better allocation of the resources now devoted to agriculture.

The cropland adjustment program would improve our relations with other agricultural exporting countries by reducing the basis for the charge that our export programs constitute unfair competition. It would permit the use of farm products to promote economic development in other countries to the extent that this is practical and in the national interest. CCC stocks would continue to be available for some time to come. If the policy of making farm products available to underdeveloped countries on concessional terms is to be continued after existing stocks are liquidated, the Government should buy needed quantities on the open market.

"Food for Peace" is an attractive slogan; but it calls for a realistic approach. The fact is that the United States has programed over \$11 billion worth of agricultural surpluses to foreign countries since 1954. We have an obligation to use our surpluses constructively; however, it would be a disservice to underdeveloped countries to encourage them to become dependent on concessional sales of surplus farm products. We also have an obligation to avoid disrupting the commercial markets of friendly nations that produce for world markets.

It would be most unwise to relinquish control of large quantities of our agricultural surpluses for distribution by an international organization. We should recognize that other countries do not all share our interest in the preservation of commercial markets.

In conclusion I want to emphasize our belief that a change in the direction of agricultural policy is long overdue. The cropland adjustment program is a practical approach to the solution of problems that have been aggravated by past programs. It is a voluntary program. It moves away from the detailed regulation of individual farming operations. It seeks to reduce total production—not just to shift the surplus problem from one group of producers to another. It will reduce export program costs immediately, and total program costs as production is brought into a better balance with effective market demand.

The adoption of such a program would be a real step forward in agricultural policy.

Mr. DIRKSEN. Mr. President, on January 26, 1961, Mr. Charles Shuman, of the American Farm Bureau Federation, appeared before the Farm Conference called by the Secretary of Agriculture in Washington, and urged a 10-point temporary program, which included cropland retirement, and stated that—

Whole farm participation should be encouraged.

If we were to have a massive land retirement program, I am quite certain that that would be consonant with the recommendations of the task force.

On January 30, 1961—and I address this statement particularly to the esteemed Senator from Nebraska [Mr. CURTIS]—the Feed Grain Study Committee submitted a report for release by the President. I have that report here also, and I ask unanimous consent that

it may be made a part of my remarks at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT OF THE FEED-GRAIN STUDY COMMITTEE

The feed grain situation confronting the Nation is critical. Government holdings of feed grains under the price-support program—owned and under loan—stood at about 70 million tons on January 1, 1961. These holdings were valued at \$3.6 billion. The investment of the Commodity Credit Corporation in feed grains is now at an all-time high, and is greater than that of any other crop.

Under a continuation of existing programs it is estimated that the total carryover of feed grains will increase to 84 million tons by October 1, 1961; this is almost double the size of the carryover in 1956. At the present rate of buildup, the carryover by October 1, 1962, could run well over 90 million tons. In the context of this buildup of stocks in all positions, Government holdings under the price-support program could increase to about 85 million tons by January 1, 1962.

The large and sustained increases in feed grain production that are giving rise to the increased carryovers and Government holdings is also going to give rise to a critical storage problem in 1961-62. It is estimated that we will be short of off-farm storage space for 250 million bushels of all grain (exclusive of grain sorghums) in the summer and fall of 1961. And we could be short of storage space for some 400 to 500 million bushels off the farm in the next 18 months. In short, the storage problem will be extremely difficult and possibly disastrous under a continuation of existing programs.

Uncontrolled production with a modest level of price support has resulted in more feed grains being produced than were utilized (including the distribution of feed grains outside commercial channels under Public Law 480 and other programs) in each of the past several years. Uncontrolled production has led to a sustained buildup of grain stocks in all positions and in Government hands; and uncontrolled production in 1961 can lead to a disastrous situation in terms of storage space and storage costs.

Faced with this situation the Feed Grain Study Committee believes that a positive program to deal with the worsening situation in 1961 is absolutely necessary. But time is short. The time is too short to place in operation any program with mandatory features in 1961. Thus, the Committee has recommended an emergency program of a voluntary type. The program recommended by the Committee would cost no more than a continuation of the existing program but it would (1) increase the incomes of feed-grain producers and (2) bring to an end the buildup of feed-grain stocks.

The main features of this voluntary program recommended by the Feed Grain Study Committee include:

1. Some increase in the level of price support, where this guarantee of price support is limited to farmers who participate in the program.
2. The retirement of a percentage of each producer's feed grain acreage into a non-productive, soil-conserving practice.
3. The payment to producers of a conservation practice payment to induce farmers to participate in the voluntary program.
4. The provision of a payments-in-kind feature for those program participants who wish to cut back more than that required by those farmers eligible for price support.

The recommended level of price support, size of conservation practice payments, and the percentage cutbacks for feed grain acreages, all of which are directly interrelated, will be announced later. But various combinations of prices, payments, and acreage

reductions can be specified which result in the achievement of the twin goals of this feed-grain program: (1) increased producer incomes and (2) a cessation of the buildup of feed-grain stocks.

In the opinion of the committee, an effective program for feed grains can be developed and announced in the next 6 weeks which will significantly increase the incomes of feed grain producers in 1961, and combat the mounting surplus stock problem. But to do so, we must act forcefully and expeditiously at all levels—the administration, in the Congress, and among farm groups. And we must so act, for to fail means to contribute to further buildup of Government holdings, a needless and wasteful increase in storage costs, and an acute shortage of storage space in 1961 and 1962.

Mr. DIRKSEN. Mr. President, that report recommended a temporary voluntary program which included price support increases for cooperators, acreage retirement to nonproductive purposes, conservation payments, and payments in kind to producers who were willing to cut back more acreage than that which is required to qualify for price supports.

Seventeen days later, on February 16, the President transmitted a letter, a bill, and a memorandum from the Secretary of Agriculture, covering a special emergency feed grain program applicable only to the 1961 crop.

Mr. President, it is too bad it is so late in the afternoon, because I thought I might detain the Senate for a few hours and draw a little on recollection and remembrance, because as I envision and seek to evaluate these various programs, I go back to 1933. Certainly, we had a depression. Certainly, farm prices were almost at an alltime low. So two approaches were made to relieve the situation. One was how to get purchasing power into the hands of the people, so that they could purchase the commodities which were piling up. The second was to energize the economy in the hope of raising farm prices.

To accomplish the first purpose, we set in motion all manner of projects: The Civil Works Administration, the Works Progress Administration, the Public Works Administration, and any number of items. We even had an artists and writers project, as I remember. We gathered those artists and painters who were unemployed at the time and set them to the employment of their imagination and talent to turn out enough art work to fill a warehouse.

I went down there once and tried to pick out something. I think I picked out one oil painting from the whole lot. I still have it, and it is a sort of memento to those earlier days. But that project was designed to create purchasing power.

Then there were dramatic companies traveling throughout the country. The Senators from Michigan will remember a celebrated student by the name of Avery Hopwood, who got into the dramatic field. He used to do such airy and fancy things as "Getting Gertie's Garter" and "Up in Mabel's Room." Those were plays which were in great vogue, and they played all over the country. I remember when one of those dramatic companies came out to Peoria to play "Up in Mabel's Room." All the taxpayers were wondering whether they

were paying for it; and certainly they were. But those activities employed the unemployed artists, and that contributed to the purchasing power. That was one approach.

Another was to energize the prices of agricultural commodities. How was that done? By bringing supply into balance with demand. Various things can be done to supply. One way is to consume it. Another is to destroy it. So we started out on a big destruction program. Under that celebrated Secretary of Agriculture, Mr. Wallace, we threw 15 million little pigs into the fertilizer bags. Then we plowed under the hog population, trying to teach them a little birth control. [Laughter.]

I am one of 11 children in our family. I am glad I came along before Henry Wallace. I might have got plowed under. [Laughter.] But that is the way we diminished the supply.

We did that with potatoes. Remember when we had too many potatoes? I am sure the distinguished Senator from Vermont [Mr. Aiken] will remember that in New England kerosene was poured on them. Then we had mashed potatoes when we ran the tractors over them. For fear people would gather up the potatoes and "discomboborate" the supply and demand picture, kerosene was poured on them so that they would be easily recognized.

I recall when I was holding meetings with soldiers in Europe—we were at Heidelberg, Frankfurt, and elsewhere—and from the Stars and Stripes they had pictures of the tractors going over the potatoes. O how furious they were. They said, "Is this true?" Of course it was true; everyone knew it was true.

But my basic point is this: 28 years ago we were approaching this thing from almost the same standpoint—first, how to build up purchasing power in the hands of consumers; second, how to destroy or how to bring into balance supply and demand, either through destruction or through giveaways.

And we had a food stamp plan. Today, we hear all about a food stamp plan. But at that time we had a Federal Surplus Commodity Corporation. One of the greatest and keenest men I ever knew, Milo Perkins, came into the Government and approached that program and tried to handle it well. He got fired for his pains and his capacity; he was fired by Franklin D. Roosevelt. But Milo Perkins was one of the ablest men who ever came into the Government. We had orange stamps and we had blue stamps; and then we stacked food all over the country.

I remember that a factory owner in my hometown, who dismantled his plant, came to me one day, and said, "This plant is for rent." I said, "Why don't you lease it to Uncle Sam?" He said, "Who shall I write to?" I said, "Write to the Department of Agriculture."

When I got back there, the next time, his plant—a block long—was filled with sacks and barrels and boxes of stuff that was surplus, and it would be taken out of there and dispensed under the food stamp plan. So you see, Mr. President, the food stamp plan that they are de-

veloping now and are trying to get into operation or effect is nothing new; it is old stuff, around here.

I mention that fact because we see that in connection with their "platform of hope and the rights of man," those on the other side talk about "the unimaginative Republicans." Why, Mr. President, it took those on the other side 28 years to catch up with our imagination in that field. As a matter of fact, we did not do too badly.

But when one summarizes just about everything that was done, the total is about as follows: First, crop cutting. They did that by taking acreage out of production. Second, crop upping—not crop cutting—because I never saw a moment when the Government did not continue to spend money for research as regards greater efficiency in the farm plant. For years, I served on the Subcommittee on Agricultural Appropriations, and for a time I was chairman of that subcommittee. There was a great procession of ideas and functions, all of which were articulated in terms of long green dough out of the Treasury, in order to get them done. The whole idea was greater efficiency and even greater efficiency.

So we have had better hybrid corn seed, and we have had better wheat, and we have had better oats, and we have had better barley, and we have had better tillage, and we have had better fertilization, and we have had better soil practices—always upping at the same time that they were always cutting.

So item No. 1 was to cut. Item No. 2 was to spend public money in order to "poosh up," as Tony said. And item No. 3 was price upping.

Mr. President, do you know how we went about that? I think my distinguished friend, the Senator from Louisiana, was here then. We devalued the dollar. And today we have a gold problem, and the air is full of balance of payments and the gold flow; and the gold is going out because shortterm securities abroad bring a better interest rate than they do here. So money goes out, and it becomes a potential tax or levy upon what is left of our gold reserve. You see, Mr. President, that is not new. We did that under Franklin D. Roosevelt, when we squeezed enough grains of gold out of the American dollar to debase it; and they did that by just pushing up the price of gold to \$35 an ounce. Before that it was \$21 and a fraction an ounce. But they pushed it up to \$35, and thus they cheapened the dollar; and then it took more of the cheaper dollars to buy the same hat or the same amount of round steak or the same amount of flour or the same amount of bread. So, Mr. President, you see that was a way to "poosh up."

Some say that prices went up. That is one way to express it. The more accurate way to express it is to say that the value of the dollar went down; and we did that by legislative fiat in 1934. And, Mr. President, I was there, and I voted on it; and I voted for it, with a heavy heart. I said, "This is a chilly

day for me," because I wondered what was going to happen.

Of course, by that means we took the country off the gold standard, and put it on a managed-currency basis; and from that day to this we have had headaches, first in one field, and then in another; and, if anything, the problems at this moment are more aggravated than were the problems in June 1934, when, as the clerk intoned the roll, by my vote I helped take this country off the gold standard.

But what should I—a country Congressman—have known about the complexities and the intricacies of gold and its relationship to all the factors that operate in the domestic market and in the international market? I did not know much about it, and I confessed the fact; and I do not suppose most of the rest of them did, either. I had a lot of company over in the House at that time.

But of course, Mr. President, as you see, our difficulties then were—and I point this out to my distinguished friend, the Senator from Minnesota—something like our difficulties now.

Today, the other side has so many "Frontiersmen" sitting over here.

Mr. HUMPHREY. Over where?

Mr. DIRKSEN. Over on your side. [Laughter.]

Mr. HUMPHREY. Oh, yes.

Mr. DIRKSEN. If I knew which way was north, I would say east, west, or south. [Laughter.] But that was the difficulty we had then, because when we returned, we had only 117 minority Members, on our side, and the other side had all the rest of the 435. So we could not do very much, because we did not have the votes or the power.

But, you see, Mr. President, in the light of hindsight I can lift my voice now, because there is no 5-minute rule in the Senate—although perhaps there should be. [Laughter.]

But I point out what happened here more than a quarter of a century ago: Push them up; cut down the acreage—in other words, you see, going in two directions at once—and up the price—which we did by silver purchase and by raising the gold valuation. And then we propped the prices; and that is where we got into price supports, the Commodity Credit Corporation, surpluses, warehouse certificates, food stamps, and all the rest.

Now I point out—and this is the distressing thing, and I shall never let those on the other side forget it—I do not dare [laughter]; it is simply this—and now I refer to the period from 1929 to 1941: In 1929, the gross farm income was \$14 billion. In 1933 it went down to \$7 billion. It was cut in half. So we had from 1933 to 1941 to experiment. In 8 years of experimentation, we still only got them up \$3 billion, from \$7 billion to between \$10 billion and \$11 billion.

In 8 years there was no solution. Finally a solution came; and what a tragic thing it was. When we talk about crops, crop cutting, and crop control, we move into the farmer's greatest crop, his children, his sons. The solution that came was the solution of blood; and we will

have to admit that no solution of the farm problem was found.

The distinguished chairman of the Senate Committee on Agriculture and Forestry is a very candid person, and every once in awhile he wonders, in his heart of hearts, whether any kind of solution can be found. But the solution that was tried was the solution of blood. "Beat the soil. Food will win the war. Sustain the armies of our allies. Sustain their civilian populations. Sustain our own men in uniform. Sustain the people on the home front. Produce and produce and produce, and push up the crops." We did, and we certainly disconnected the agriculture of the country. But I do not believe anybody will have the temerity to say that blood is a solution for this problem.

Yet we have had to meet that argument, and I mean to meet it, because I was here. I helped vote the country into war, and I saw prosperity proliferate over the country; but, oh, with what pain I heard people say, "I never had it so good." God save the mark. I heard fathers say it whose boys were in uniform, and some of whom did not come back. But will anyone contend it was a solution? No.

There were 8 years of experimentation, with no solution. Then came the intrusion of war, and dead youngsters, as an everlasting monument to the fact that the solution was not found under the New Deal.

It was not found under the Fair Deal, either, I suppose; but, as I think of the blood and inflation and prosperity, we exported one out of every 3 bushels of wheat, one out of every 3 bales of cotton, one out of every 3 tons of rice; one out of every 4 tons of tobacco. Farmers helped to produce those crops, and to pay for all this at the same time.

But the war ended. We worked with this problem all over again. Finally, came Ezra Benson. He suffered a great deal of abuse. I thought he was a man with great courage and discernment, who did his noble best, and did not back down under vilification and abuse, no matter where it came from. He was a gentle and forbearing person.

Here we are, around the Horn. Here are the reports of the task forces. One says, "Do not increase price supports on corn and wheat." Another says, "Do increase price supports on corn and wheat." What is anyone like me to do when experts talk that way and cannot come to an agreement? Yet those were the men who were engaged for the purpose of examining into this whole problem and making a report.

One report says, in substance, that we have on hand 70 million tons of feed grains, at \$6.3 billion invested. It is expected to go up to 84 million in 1961. It is said it may go to 90 million in 1962. It is said storage may be short by 500 million bushels within a space of 18 months. Then the experts use the word the President used in his message. They say the program might end in disaster.

Mr. President, that is what bothers me. I would be the last man to invite disaster. When the experts, talk about lack

of storage space, it could well be. And yet I do not feel that this bill would do much good. What is a livestock producer to say? One does not wave a wand and suddenly produce a 1,000-pound steer. It takes months. When a producer has a yearling to feed, he must look down the road and wait until it is ready for the market. We say we cannot help him. This proposal is for 1 year. As of now, we do not know what we are going to do at the end of the year. We are told there is to be a long-range program pretty soon. Does not that add up to uncertainty? It certainly does in my book. I am greatly concerned.

Here is a 75-percent price support. That is a far cry from the pledges that were made when emotionalism was high and we were engaged in a presidential campaign.

What about it? Is this the way we are to meet the problem? We are saying to the farmer, "Participate or you are out." That is what this bill says.

I do not think our farmers like that. I thought it was said that the farmers were to be consulted. I do not know how much consultation there was, but certainly they have a stake in this business. If that assurance was given, I wonder why it was not kept.

I think this is a situation in which Government actually bids against itself. First, up come price supports to induce cooperation; but when 20 or 30 percent of the acreage is taken out of production, what is a farmer to do?

I think my friend the Senator from Vermont [Mr. AIKEN] will agree that he would do exactly as I would do. I would get the best 5-10-5 fertilizer I could get, and, if there is anything better than that, I would get it, and put it on the acres; and where previously I had produced 60 or 70 bushels, I would produce 100 bushels.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. AIKEN. The Senator from Vermont would buy 8-16-16 fertilizer. It is more economical.

Mr. DIRKSEN. Fine. I will remember that when I next buy fertilizer.

It is alleged that this program would save \$500 million. I want this for the RECORD. Then I will tear it out of the RECORD and put it in my notebook. I ask the chairman of the committee if he really believes this program would save \$500 million for the crop year 1961?

Mr. ELLENDER. Let me say to the Senator, in reply, that it depends on compliance. If there is as much as 70-percent compliance, from the figures given to us, there will be a saving of \$500 million.

Mr. DIRKSEN. But it is purely an estimate?

Mr. ELLENDER. Of course, it is. We cannot tell whether or not the farmers are going to comply; but I think the bill presented is attractive enough to at least induce the corn farmers to participate. It is my hope that they will participate. If they do not, it will be an indication to me as to whether or not they want any kind of program in the future, because, as the Senator

well knows, we cannot continue to produce at the present rate.

Mr. DIRKSEN. The Senator bears out exactly what I have said. We started on this turntable 25 years ago. We have gone around the Horn, and we are back where we were before.

Mr. ELLENDER. I say to my good friend from Illinois, what has brought us the trouble has been, in my opinion, the most recent act which was passed, in 1958, wherein we gave to the corn producer and to the feed grain producer a support price without acreage allotments. That has been the difficulty. Corn was the only basic commodity put in that category.

It strikes me that any corn producer who desires a support price should be willing to control his acreage the same as the cotton producer, the tobacco producer, the rice producer, the peanut producer, the producers of the other basic commodities.

Mr. DIRKSEN. But is it not true that we would reward the same fellow who has not cooperated heretofore? If a farmer did not cooperate and kept building up his corn base in 1959 and 1960, that is going to be the base against which the program will be measured. Therefore, if the farmer did not cooperate we will say to him, in effect, "Well done, thou good and faithful servant. Because you expanded your acreage we are going to reward you now."

I ask my distinguished friend from Vermont, am I correct or am I not correct? [Laughter.]

Mr. AIKEN. I take the fifth amendment.

Mr. DIRKSEN. He pleads the fifth amendment. [Laughter.]

Mr. AIKEN. No. As a matter of fact, there have been no acreage allotments in the last 2 years.

Mr. DIRKSEN. That is true.

Mr. AIKEN. It is true that the corn grower who has plunged the last 2 years, hoping to do well, would probably have an advantage over a grower who had carried out the even tenor of his agricultural ways.

Mr. DIRKSEN. He would have an advantage over the grower who rotated, who put part of his land in legumes and part of it in pasture. The one who built up his acreage and built up his yield would be rewarded.

Mr. AIKEN. One farmer may have planted his whole farm, hoping to make a killing in 1959 or 1960, and he will get his reward.

Mr. DIRKSEN. He will get a reward now.

Mr. AIKEN. He will get it on earth.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HRUSKA. In 1956 or 1957 we had the first attempt at the soil bank, and some 5 million acres of corn land were taken out of production. At the end of that time there were 200 million more bushels of corn produced for the year than in the preceding year, which is the point the Senator from Illinois made a little while ago when he spoke about the fertilizer used by the Senator from Vermont.

Mr. DIRKSEN. I have little more to say about the subject, except to confess my concern and my bewilderment.

One task force says, "Go in this direction," and the other task force says to go in another direction.

The first bill which comes along is like the five and dime, only the percentages are different. There is 20 percent and then a voluntary 20 percent on top, but now we have combined it to make it a 30 percent provision. I do not know what will come out of conference.

Another thing which disturbed me very much was that provision which would let the Commodity Credit Corporation, in order to make the hoard manageable, slug the market, if necessary, at the market price without any limitation. Of course, I cannot think of a greater weapon in the hands of Government to "clobber" a farmer than that kind of weapon.

I am going to ask the chairman of the committee, in all kindness and in all earnestness, a question. The House retained the Commodity Credit Corporation authority to sell. The chairman did a good job when the committee deleted that provision from the Senate bill. What is going to happen when the bill comes back to the Senate from the conference committee? Will the Senate yield on that point? Of course, the Senator can speak only for himself as one conferee.

Mr. ELLENDER. I can speak for myself, and I believe I can speak for the other Senate conferees. I would say we will stand pat and insist it be taken out. In other words, we will stick so long as we can to our approach. So far as I am concerned, I would rather have no bill at all than to have a bill with section 3 in it.

Mr. DIRKSEN. Perhaps this is not quite fair, yet it is dictated by absolute sincerity. Would the chairman be willing to state now to the Senate that before he capitulated to the House in conference on that item he would return to the Senate without a conference report and ask for an instruction from the Senate?

Mr. ELLENDER. I certainly will. I will agree to do that because I know the sentiment of the Senate and I know the sentiment of the members of the Committee on Agriculture and Forestry.

Mr. DIRKSEN. Our farmers out home, insofar as I can tell, are not happy about the bill. They think this is a gesture. There are some who are for it, I recognize, but I would say the preponderant majority are against even the bill, because the farmers think of it in terms of an entering wedge which will ultimately add up to farm control and to the destruction of agriculture as a sort of free and untrammelled way of life.

I commend the chairman of the committee, the distinguished Senator from Louisiana. He has certainly improved the bill very measurably compared to the bill which came to the Senate from the Secretary of Agriculture. I think the Senator from Louisiana deserves the gratitude of the Senate.

I am still unhappy. I am sure the distinguished chairman of the committee feels that under the circumstances this is the best which can be done. I do not know, I say frankly, at this moment, when the roll is called after a while, how I shall vote. I frankly do not know.

I think this is something of a gesture. I do not believe it will save the money it is estimated to save, because a figure was simply picked out of the air. I do not think this bill will do the job which needs to be done. I do not think a 1-year land retirement program under any circumstances can be practicable. I think it may possibly manufacture problems instead of diminishing problems.

There is a disparity of interest as between the feed deficit areas, the dairy and poultry and feeding areas, and the consumers on the one hand and, of course, the producers of feed grains in the Middle West or the West on the other hand.

It is a puzzle. One needs the wisdom of a Solomon to ever fight through and come up with a satisfactory answer.

Mr. President, my sole purpose in trespassing upon the grace and forbearance of the Senate today was to show that this is where I started in 1933, with the Agricultural Adjustment Act. That is when I first heard about the little pigs. That is when I first heard about plowing under every third row of cotton. That is when I first heard about destruction in order to bring supply and demand into balance. There was the PWA, the WPA, the gold reserve and the silver purchase, and all the other things, to try to help the cause. Now we are still struggling, with 70 million tons of feed grains and an emergency program.

That is all, Mr. President. I simply wanted to go full tilt around the circle. I could almost say, "This is where I came in."

I yield the floor.

Mr. KEATING and Mr. LAUSCHE addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. KEATING. Mr. President, Don Wickham, the New York State Commissioner of Agriculture, had something to say about feed grains a few days ago. I think it is quite interesting. He referred not to government but, in a press release, to "giverment" as the root of this dilemma. It may have been a typographical error, but it strikes me that he put his finger on the problem.

I add that Commissioner Wickham never did correct his apparently Freudian typographical slip of the keyboard, so it still stands in his press release as "giverment."

Mr. COOPER. Mr. President, will the Senator yield?

Mr. KEATING. I yield to my friend from Kentucky.

Mr. COOPER. I will say to the Senator from New York that that is a very common pronunciation of the word in the mountains of Kentucky.

Mr. KEATING. I am sure we all speak the same language on this bill, because the Senator has indicated he is opposed to it, and so am I.

Mr. COOPER. No. I am for the bill.

Mr. KEATING. The Senator is for it now?

Mr. COOPER. Yes. I have been for it all along.

Mr. KEATING. Things change on this floor. It is very difficult to keep up with them from time to time.

I know the amendment of the Senator from Kentucky was agreed to. I congratulate him on his achievement. I think his amendment improved the bill. But I must say that it strikes me as another shortcut, makeshift proposal to deal with the entire farm problem.

Mr. COOPER. Is the Senator from New York speaking of my amendment, or the bill?

Mr. KEATING. The bill—not the amendment. I know the amendment improved the bill. The Senator from Kentucky is constantly improving bills by the splendid amendments he offers so frequently.

It will involve more stringent controls upon the farmer and it will add huge new costs to our overall farm programs.

Mr. President, I am also very much concerned about the impact which this legislation will have upon the prices paid by consumers and upon a very important section of our agricultural industry; namely, the production of livestock, dairy goods and poultry products.

The costs of feed grains will undoubtedly go up. Poultry and dairy producers will pay more for feed, while at the same time they will not be able to directly increase prices to consumers because of the rigidity of existing marketing order arrangements, although I am happy to hear the Secretary of Agriculture, at this fortuitous moment, is about to announce an increase in the dairy support prices.

The producer is caught in the middle. What if he does even further increase prices? Then, it is the consumer who takes it on the nose, and this is not good either.

Mr. President, I repeat, this is not the answer. It is discriminatory and, furthermore, it takes into account only one crop, thereby ignoring the broad dimensions of our Nation's overall farm problem.

It is my intention to vote against the bill unless the distinguished Senator from Kentucky [Mr. COOPER] before we finish, offers a great many additional amendments in his typically helpful fashion which will make the bill more palatable.

Mr. LAUSCHE. Mr. President, I contemplate not supporting the bill which is now before the Senate, for several reasons:

First, I do not subscribe to it because it is a stopgap remedy of a problem that has been confronting farmers, taxpayers, and the consumers of the United States for the past 30 years. When stopgap programs are adopted, they are usually the device through which a delay is achieved in coming to grips with the problem. My fear is that if a stopgap bill such as the one before the Senate is adopted, tackling of the real problem will not be reached in this Congress, and as the years go by, we shall still be talk-

ing about the failure to solve the problem and we shall still be passing stopgap measures.

Second, the passage of the bill admittedly will have an adverse impact upon those of our own agriculture economy who are engaged in cattle and poultry producing. Their costs will undoubtedly increase. Such effect is manifested by the fact that, according to the Senator from Vermont [Mr. AIKEN], this afternoon, the Secretary of Agriculture announced an increase in the price of dairy products. One of our Senators stated that such action was a coincidence. It may be a coincidence, but I believe there is justification for the inference that this price guarantee on dairy products will be announced today because of its possible influence on the votes that will be cast in the Senate.

Third, I cannot subscribe to the bill because it definitely will give a premium to those farmers who, in the last several years, have devoted their acreage to feed grains and have indulged in bad farm practices, resulting in depletion of soil and otherwise under the bill the prudent producer will be penalized; the unprudent, rewarded.

Fourth, I shall not support the bill because I am convinced that if it is passed by the Senate, the prospects of the House bill becoming law will be increased, and I respectfully submit to my colleagues that if the House bill becomes law, we shall have an instance of where the Government will enter into artificial and controlled management of the farm segment of our economy.

I pointed out earlier today that in the House bill declarations are made that it is a voluntary program. The Secretary of Agriculture in his statement to the Committee on Agriculture and Forestry said it is a voluntary program. The American farmer will be free, he said. He will participate if his volition so dictates. He will reject if his judgment is to the contrary. But then the testimony shows that there is the device of persuasion and encouragement. What is that device? The device is that if the farmer does not participate the Commodity Credit Corporation will dump into the market the surplus feed grains, force down the price, and force the farmer to enter the program with the Department of Agriculture.

On the one hand the declaration is made that freedom will be accorded to the farmer; on the other, if he does not not participate the Department will drive down his price and he will regret his decision.

I make my fifth point. I have already spoken on it. We must come to grips with this problem. For 30 years there has been talk about it. The Senator from Illinois has pointed out that the only periods in which there has been a solution have been in the periods of war. Otherwise, there has been talk of the need of producing a solution year after year with the condition getting worse all of the time.

My sixth point is that I see in the provisions of the bill a purpose, in a subtle way, for the elimination of surpluses at a great cost to the taxpayers.

In the House, when the bill was passed, it was said that we will not permit the sale of surplus feed products at a price which is less than 83 percent of the controlled price. That would mean 83 percent of \$1.20. I ask the Senator from Louisiana now whether any of our surplus feed grains have been bought at a price over \$1.20.

Mr. ELLENDER. I understand there are some feed grains in the possession of the Commodity Credit Corporation which were purchased as long as 4 or 5 years ago. Basing my answer to the Senator's question on that belief, there would be some corn for which the support price is as much as \$1.50.

Mr. LAUSCHE. That is, the support price is \$1.50. Under the provisions of the House bill authorization would be given to sell it at 83 percent of \$1.20. Is that correct?

Mr. ELLENDER. That is correct.

Mr. LAUSCHE. So that the loss would be from a buying price of \$1.50 to a selling price of \$1.20, and then a 17-percent deduction from the \$1.20. Is that correct?

Mr. ELLENDER. Of course there has been quite an accumulation of storage charges that would have to be added to that amount. However, the amount involved is not very great. Altogether it may be 150 million bushels.

Mr. LAUSCHE. In any event, the corn for which we pay \$1.50, and to the purchase price of which must be added the cost of storage and the interest, under the House bill could be sold at about \$1.05?

Mr. ELLENDER. That is correct. A little less than \$1.05. About a dollar.

Mr. LAUSCHE. I reluctantly make this statement, but it has been my judgment that we have been frantically looking for methods to get rid of the surplus. Many people who recognize the hugeness of that surplus feel greatly pained when they recognize the fact that the bins all over the Nation—and I would say especially in Ohio—are being viewed by the taxpayers.

Various proposals have been made today about how to get rid of the surplus. I have no objection to providing it to help needy people in foreign countries, in places where catastrophes have occurred, but I cannot subscribe to what I believe is an artificial method of getting rid of it at an inordinately low price without any reasonable justification.

In conclusion, if we adopt the House bill, which will put the farmer under a managed control, his income will be dependent on the volume of his products times price less cost of production. However, we, as the Government, will say to him, "We will determine what your volume of production will be, and especially will we determine what the price will be that you will get for your goods, and we will determine your price by manipulating the market through the flowing into it of surplus goods."

My inquiry is, if we manage the farm economy, how are we eventually going to escape managing the industrial economy? Are we to live in a nation where the economy is free, or are we going to

adopt a course where the farmer and the worker and the industrialist will be subject to whims of the Congress? My fear is that if we enter into this program, as proposed in the House bill—not as proposed in the bill pending before the Senate—it will be one step in that direction.

In the enthusiasm—I would say in the frenzy to solve the problem, we have the sad spectacle of a proposal being made that there be a harnessing and a shackling of the farmer, so that he shall be completely managed by the Government.

It is on that basis that I will vote against the bill pending before the Senate. My view is that we must tackle the problem on a long-range, permanent basis, not in a stopgap fashion.

Mr. HRUSKA. Mr. President, if there is any justification for the passage of the pending measure, it is that the bill is an emergency measure, calculated to deal with a situation which is bad and which is steadily getting worse.

I suppose two questions would present themselves in attempting to analyze this situation. First, what is the nature of the emergency, and why do we have it?

Second, whether the measure will be as effective as claimed. Will it actually do anything to reduce production? Will it actually reduce the quantity of the farm products being placed in storage?

I am puzzled about the element of emergency. After all, I recall last July 15 when a former colleague of ours, who now occupies the White House, addressed the delegates to the Democratic National Convention. The Presiding Officer, the Senator from North Dakota [Mr. BURDICK], perhaps was present when the delegates were addressed by our former colleague.

According to a news story:

Senator John F. Kennedy has promised to introduce in Congress next month an emergency farm bill to attack what he called the No. 1 domestic issue.

He asserted that January, when a new administration takes office, was too late to write legislation aimed at bolstering falling farm income and farm prices.

Speaking to North Dakota delegates to the Democratic National Convention, he said his staff already was at work on a farm bill that would guarantee farmers full parity income.

He gave no details, but he supported the farm plank in the party platform submitted to the Democratic National Convention.

All of us recall those long weeks of August 1960, when instead of being out on the hustings, we spent most of our hours in this Chamber. We did not find any farm bill which had been worked on by the staff of the man who was then a Senator from Massachusetts. None was introduced. None was even talked about. In fact, there was very little talk at that time on the subject of the Democratic platform on the subject of farm legislation.

Not only that, but January went by without the introduction of any farm bill. Of course, it takes time to prepare a bill. But considering a situation in which the staff of one of our colleagues was engaged in writing a bill, and that his party was in charge of both Houses of Congress, not only in July, but in January, too, by a margin of virtually 2 to 1,

it seems strange that nothing was done until now. Most people can have misgivings as to whether an emergency exists which is alleged by those now in charge of the Government.

If so, I wonder if it is not in a situation of a self-imposed emergency: The bill must be passed this week in order to be ready by March 15, for the planting season is upon us. This emergency which has been talked about seems pretty much self-invited in that light.

There are many things about the bill which are not satisfactory. It does contain some things, however, concerning which I should like to commend the Committee on Agriculture and Forestry, and particularly its distinguished chairman. I was most happy to hear the Senator from Louisiana [Mr. ELLENDER] announce to the Chamber a little while ago that in the conference which will be held on the bill, there will be no yielding, on his part, permitting the insert of section 3, or its equivalent, into the Senate bill. I commend the chairman. I commend his committee, too for having deleted section 3 from the bill currently before the Senate. Section 3 is a harmful section. It is a vicious section. It has been revised and then deleted, of course, but it gave the Secretary of Agriculture power to sell in the open market for virtually whatever he wants. That would be a power not granted previously to any other Secretary of Agriculture. Among other things, it could destroy or seriously impair the marketplace whenever exercised.

I agree fully with the distinguished Senator from Ohio [Mr. LAUSCHE] that it would be a prelude to the extension of absolute power in the Department of Agriculture, over other commodities.

One of the things so objectionable about the bill—and I am dwelling on it to give whatever support I can to the Senator from Louisiana when he goes to conference—is section 3. There is considerable opposition to that section in this body. Certainly if that section finds its way into the bill, the Senator from Nebraska would propose to vote against it and to resist it with all the powers at his command. Section 3 repudiates the original basic concept of price supports, namely, that price supports are to be the floor. The Commodity Credit Corporation price release should be above the floor, taking into consideration the carrying charges and other factors.

The object, of course, would be to have the market above the price support and have the interplay of market forces function with ease and effectiveness.

I think it would take quite a stretch of the imagination to call this a voluntary program if section 3 is effective at all, because there would not be anything voluntary about it. The program would be highly coercive in every sense of the word.

In addition to deleting section 3, the Committee on Agriculture and Forestry also deleted a portion of the proposal by the Secretary of Agriculture which would establish a price support of \$2.30

on soybeans. For that, also, I believe they should be commended.

Another consequence of section 3 action would be the disruption of the livestock, poultry, and dairy industries through political manipulation of Government stocks of feed grains. What feeder would like to gamble upon the whim or fancy of the Secretary of Agriculture to dump a lot of commodities on the market? It simply would not make sense for any feeder to lay in any considerable stock of feed grains with a threat like that hanging over the market.

The bill does, unfortunately, bring back to us a discredited concept—that of acreage allotments. Corn farmers voted against acreage allotments overwhelmingly in 1958. Acreage allotments did not work. At the time the vote was taken, I believe something like 14 percent of the corn farmers, by acreage, were complying with the acreage allotment program. That certainly is good indication of the disrepute into which the program had fallen.

A little while ago I mentioned this statistic. I repeat it.

In 1956 or 1957, when the soil bank program was first enacted, there was a reduction in acreage of some 5 million acres. Yet the production of corn at the end of that crop year increased by 200 million bushels, rather than experienced any reduction.

One is entitled to have some misgivings as to the effectiveness of the pending measure. One is entitled to wonder whether even the 70-percent compliance, which is considered necessary for the program to be effective, will result in a reduction of production.

Another feature which is very undesirable is the proposal of a land retirement program for only 1 year. It is not practical. In order to be effective at all, a land retirement program must be in existence for a term of years.

For example, if one has 60 acres planted in corn, has 15 acres which need building up, the 15 acres are retired and the next year, when they have a higher productivity, they will be returned to the program and the next less productive land will be placed in the land retirement program.

Except for the fact that there is a so-called emergency; except for the fact that there is a possibility that some progress can be made to reduce production, the bill could not be justified on any ground which the Senator from Nebraska can conceive. The only ground upon which it is justified would be that perhaps, with the optimism which springs eternal in the mind and in the breast of the Committee on Agriculture, particularly the chairman, we can make some progress along the indicated lines toward the desired goal. If so, that will be all to the good.

There is one other factor upon which I wish to comment in closing. We are told that this is an emergency program. Yet there is a long-range bill held in readiness. It is reposing in the White House. It has not been sent to Congress. It is understood it will not be

sent here until after we have disposed of the pending bill.

It would be helpful to the Members of this body if we had access to the text of the bill, not for the purpose of passing judgment on it, not for the purpose of offering it as a substitute, but for the purpose of ascertaining whether the bill we are now considering will form the basis of that long-range program.

Obviously, if we are disposed to vote for this bill, and then we are presented with a bill similar to it, except that it is for a period longer than 1 year, some of us will be placed at a disadvantage to say we will not approve the long-range bill after we have approved this bill for 1 year.

It seems to me that the administration would have been a little more candid and cooperative in connection with this matter if it had let us know what its long-range plan was. But that will have to await a release from the administration.

In the meantime, I suppose we shall have to set our sights on the action taken by the conference committee; but if the report from that committee should be one of compromise on section 3 or on its equivalent, it certainly would meet with widespread resistance on the part of the Senate.

Mr. ALLOTT. Mr. President, will the Senator from Nebraska yield to me?

The PRESIDING OFFICER (Mr. METCALF in the chair). Does the Senator from Nebraska yield to the Senator from Colorado?

Mr. HRUSKA. I am happy to yield.

Mr. ALLOTT. I am very much in accord with what the Senator from Nebraska has said. Those of us from the Western States, which have a very great variety of problems in this particular area, are concerned not only with this bill, but also with future legislation in this field.

As the Senator has said, it does no good to say we shall pass this bill for 1 year, when thereby we may have committed ourselves—at least by inference—to a course of action which would take us much further along a road which could only bring havoc to important segments of our agricultural economy.

In considering this matter, as the Senator from Nebraska knows, we have to think, not alone of our grain producers, but also of our livestock producers and also of the disruptive influence these things may have upon the livestock industry—whether the cattle industry or the sheep industry or the hog industry. When we couple all this with the fact that presently we are unaware of what may be done in regard to wheat, in conjunction with this grain bill, that places even more question marks about the proposal, and raises even more serious questions as to whether it is advisable.

I join completely with the Senator from Nebraska in stating that, for many of us, it would be intolerable even to think of supporting the bill if section 3 were in it.

A question of real importance is whether even by this means—in other

words, by voting for this bill—we shall be disrupting portions of our agricultural economy more greatly than if we voted against it, and then waited for the long-range bill and waited for another year or so, so that we could plan a whole long-range program, one looking to the future, and also looking to what may be proposed by way of a wheat bill, later this year.

Mr. HRUSKA. I should like to say to the Senator from Colorado that a vote for this bill for 1 year would not be a vote for the philosophy or for the contents of a bill for a period of time longer than 1 year. I repudiate any suggestion that a vote for this bill will necessarily require, later, a vote for the expected long-range bill. Certainly it would not be my intent to be bound for a period of more than 1 year. Like the Senator from Colorado, I represent a State in which there are many livestock raisers. A program of this kind, if put into effect for more than 1 year, could conceivably wreak a great deal of havoc in that industry.

However, I do not see how we could possibly be committed to voting for a bill of this type as a permanent measure, by voting for this bill on a 1-year basis.

Mr. ALLOTT. I thank the Senator from Nebraska.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

Mr. MILLER. Mr. President, I have an amendment at the desk. I should like to have consent to withdraw that amendment, and then to call up the amendment which I send to the desk at this time.

The PRESIDING OFFICER. The amendment submitted by the Senator from Iowa will be stated.

The LEGISLATIVE CLERK. On page 4, it is proposed to strike out lines 20 through 24; on page 5, it is proposed to strike out lines 1 through 8; and it is proposed to insert in lieu thereof the following:

(b) Feed grains shall be eligible for price support only if—

(1) In the case of corn and grain sorghums the total acreage on the farm devoted to the 1961 crops of all feed grains does not exceed the average on the farm devoted to such commodities in 1959 and 1960, less 30 per centum thereof;

(2) In the case of oats, rye, and barley, the total acreage on the farm devoted to the 1961 crops of corn and grain sorghums and such other feed grains as the Secretary may designate does not exceed the average acreage on the farm devoted to such commodities for harvest in 1959 and 1960 less 30 per centum thereof.

Mr. MILLER. Mr. President, first of all, I should like to say that I recognize that the Committee on Agriculture and Forestry, and particularly its distinguished chairman, has given a great deal of time and conscientious study to this problem, and I recognize that the bill has been given very serious consideration by all the other members of the committee.

One point in this bill gives me a great amount of concern: It is whether there will be sufficient compliance by farmers,

particularly the highly productive farmers, to achieve the objective of the bill.

It seems to me that one of the major difficulties is the inherent discrimination in the bill as between farmers who have been practicing sound crop rotation methods and farmers who, on the other hand, have been overplanting their land.

We know that some farmers have thrown corn on their land to the maximum extent, and other farmers have planted some corn, some oats, some soybeans, and some alfalfa, in accordance with sound agricultural practices.

Under this bill, by taking the 1959-60 base of corn production, a farmer who has overplanted his land will have a windfall; and the many farmers—in fact, I would say most farmers—who have not been overplanting their land will find that they should have been overplanting their land in 1959 and in 1960. Their reaction is very likely to be that they are not going to come into this program. Instead, they are going to retaliate by overplanting their acreage so the year 1961 will give them a very high base for future programs. I think that the result of that would be disastrous.

First of all, we would not have sufficient compliance, which is the objective of the bill. Secondly, it would aggravate the surpluses of corn.

This amendment is designed to avoid that situation. My amendment provides that there is to be a cutback by 30 percent of feed grain acreage. In other words, on a farm of 160 acres, let us say that 10 acres is pasture, leaving 150 as crop acres. In the case of a farmer practicing sound conservation and rotation methods, he might have 50 acres in corn, 50 acres in beans, and 50 acres in oats. He would be permitted to take the 50 acres of corn and 50 acres of oats, or 100 acres, minus 30 percent, and have 70 acres to plant to feed grains. Whereas in the previous years he had only 50 acres in corn, theoretically he could go up to 70 acres under my proposal. But that does not mean he will. In any event, he is going to have to cut back some feed grains—oats, at least.

On the other hand, under the bill, the most corn he could plant would be 35 acres for price supports.

That situation can be compared with the situation of his neighbor down the road who has 150 acres of corn on the same size farm which, minus 45 acres, would leave him 105 acres under price supports, as against 35 the farmer practicing sound conservation and rotation methods. I say that with that situation we are not going to get compliance.

Under my amendment, there will be a reduction of feed grains, and, certainly on the part of the large producer, there will be a reduction in corn, and I think people will be encouraged to come into this program who otherwise would not.

That is all there is to this amendment. I want to repeat, I realize this bill calls for a 1-year program; but it is very important that the farmers be favorably impressed by such a program so they will come into future programs.

I also want to repeat that I realize how desirous the chairman and his com-

mittee are of coming up with a good bill. I am trying to improve the objectives of this bill by a slight amendment, which, hypothetically, could result in additional corn acreage in certain cases; but, as a practical matter, will not; and will bring more average farmers into the program, which, of course, is the objective we want to achieve.

I yield the floor.

Mr. ELLENDER. Mr. President, I hesitate to oppose the amendment of the distinguished Senator, but this amendment would mean an increase, as I see it, in the production of corn and sorghums; and that is what we are trying to prevent.

This amendment would permit a corn or grain sorghums producer to increase his corn acreage and still be eligible for price support and payments so long as his total acreage of feed grains in 1961 did not exceed 70 percent of his 1959-60 average acreage of all feed grains.

For instance, if he had 100 acres of corn and 100 acres of oats in 1959 and 1960, he could plant 130 acres of corn and get payments for taking 70 acres out of oats.

One acre of corn produces about as much feed as 2 acres of oats, so the 30-acre increase in corn would just about balance the 70-acre reduction in oats. In other words, when the Senator refers to feed grains, he takes into consideration not only the land that is planted to corn, but also that which is planted to barley, oats, and other feed grains. So that it would be possible, under this amendment, for the farmer to comply by merely cutting 30 percent of his feed grains, which might be oats, and planting the rest of his feed grain acreage in corn. And that is what we are trying to prevent.

In my humble judgment, if this amendment is adopted, it will mean a greater production on many farms of corn and sorghums, which we are trying to prevent.

I hope the amendment is voted down.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. Is it not true also that, in the example used, where there were 100 acres, 50 acres in corn and 50 acres in oats, and 30 percent were taken off that total base, if the producer put 70 acres in corn, and took 30 acres out of oats, the oats having much less feed value than corn, actually there would not be taken out of production as much feed value as there would if corn acreage were taken out?

Mr. ELLENDER. That is what I am trying to state. In other words, in order to arrive at the proper proportion, we would have to take out the feed value of two acres of oats, which is equivalent to about one acre of corn.

Mr. HUMPHREY. In other words, if 60 acres of oats were taken out of production, instead of 30 acres of corn, we would come out about equal with respect to the feeding value of the corn?

Mr. ELLENDER. That is correct.

Mr. HUMPHREY. I think when we put the measure on the feed grain basis, we are opening the measure up to the wildest violations, not only in terms of

bushels, but of feed grain value; and the two high feed grain values are in corn and sorghums.

Mr. ELLENDER. And that is what we are trying to prevent particularly. So far as the production of the other crops are concerned, we leave quite a leeway in which the Secretary of Agriculture can handle the problem. This amendment would simply mean that land planted to oats could be planted to corn, and thereby increase the amount of feed a great deal.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. I think the distinguished Senator from Iowa has put his finger on a very difficult situation that exists not only in this area, but in all farm legislation. The farmer who tries to comply with a constructive soil-building program is the one who is usually penalized. But I agree with the analysis the chairman of the committee has made so far as this bill is concerned. However, I think it is something that ought to have consideration in farm legislation.

Mr. ELLENDER. I sympathize with what the Senator is trying to do, but it strikes me it will aggravate the situation if the amendment is adopted, and I ask that it be voted down.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MILLER. Did I correctly understand the Senator to say that the objective of the bill is to reduce corn production, or is it really the objective to reduce feed-grain production?

Mr. ELLENDER. We want to reduce the two main feed grains, corn and sorghums, because we have those products in overabundance. It strikes me that what we ought to do is to enact legislation, if we pass any bill at all, to curtail the production of those two commodities, as I have just stated. I did not misstate the case; did I?

Mr. MILLER. No; not at all. Granted that, there is some surplus in these other grains; is there not?

Mr. ELLENDER. Oh, yes, but not as much as we have in sorghums and grains.

Mr. MILLER. I recognize that.

Mr. ELLENDER. In my humble judgment, this amendment would really aggravate the situation, because the feeding value of oats is so much lower than corn. As a matter of fact, it might be possible that the farmer who has his farm planted only to oats, or half oats and half barley, could comply with the measure by cutting 30 percent of his acreage and planting it all in corn.

Mr. MILLER. I think the point made about feeding value is very pertinent here, particularly in the example where half the acres were planted in corn and half in barley and oats. Let us take the example of 50 acres in corn and 50 acres in oats. Under this amendment, the farmer would have to cut his production to 70 acres of feed grains. He could go from 50 acres of corn into 70 acres of corn. That is an increase of 20 acres of corn.

The farmer has to cut back 50 acres of oats, which would be the equivalent of

cutting back 25 acres of corn. Therefore, we would end up with a net reduction, at least. This would be true under even the hypothetical, which I suggest is a very hypothetical situation.

Any way we look at it, I believe we are going to have a reduction. I grant that if the hypothetical should prove out we will not have as great a reduction as we desire.

I would hate to have the amendment voted on with the understanding that it will, even under a hypothetical case, bring about an increase in feed value.

Mr. ELLENDER. I think it will. I do not think there is any question about it. The Senator admits himself that land planted to oats would be planted to corn, and corn has a greater feed value than oats. Therefore, if the farmer produced more corn he would certainly aggravate the situation.

Mr. MILLER. I believe the Senator was interrupted when I gave the example. I should like to repeat it.

The farmer has 50 acres of cornland and 50 acres of oatland. He reduces his acreage 30 percent. That leaves 70 acres which can be planted to corn. That would result in a net increase of 20 acres which could be planted to corn, but the farmer would have to cut back 50 acres of land planted to oats, which would give a net reduction equivalent to 25 acres of corn.

Mr. ELLENDER. The Senator has stated a good example, but there may be many other examples of instances such as a farmer having three-fourths of his land planted to oats. I do not know that that is true, but it may be the case. The farmer may have only one-fourth of his acreage planted to corn. The farmer could comply by taking out of production 30 percent of the land planted to oats, and then plant all of the remaining land to corn or to sorghums. That is the weakness of the Senator's amendment.

Mr. MILLER. We could state a lot of hypotheticals, but I do not know of any farm on which there has been a planting of 25 percent corn and 75 percent oats.

Mr. HUMPHREY. The Senator does not?

Mr. MILLER. Ordinarily it is the other way around.

Mr. HUMPHREY. There are lots of good farms in Dodge County, Minn., with that type of planting.

Mr. MILLER. I am sure the Senator knows more about Minnesota than I, but I have not observed that situation anywhere else.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. MILLER] to the committee amendment.

The amendment to the amendment was rejected.

Mr. DIRKSEN. Mr. President, I offer an amendment to the committee amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 9, after line 6, it is proposed to insert a new section, as follows:

SEC. 3. Not later than ninety days after the effective date of this Act the Secretary shall submit to the Congress a detailed report setting forth but not limited to the number and per centum of cooperatives under this Act, the acreage retired from production by States, the cash payments made, the quantity and kind of feed grains made available under the payment-in-kind provisions of the Act and the value thereof, the overall cost of the program, the estimated savings compared with the program in effect before this Act became effective, and such other information as will indicate the progress cost, and reduction of surpluses under this Act.

Mr. ELLENDER. Mr. President, I certainly do not have any objection to the amendment, but I wonder if we could not get the information by letter, instead of putting the language in the bill. We can certainly obtain the information, in my opinion.

Mr. DIRKSEN. Mr. President, it is much more satisfactory to have a statutory requirement.

Mr. ELLENDER. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

The amendment to the amendment was agreed to.

Mr. HICKENLOOPER. Mr. President, from my viewpoint and my position it is rather important, I think, that I explain my attitude on the bill and my impressions with respect to the proposed legislation.

Without doubt my State is one of the most important feed grain States in the Union, if not the most important such State, so any legislation which affects feed grains or any program which has to do with feed grains is of vital importance to the farmers of my State as well as to the farmers of the United States. Indeed, it is important to the entire economy of this country.

Mr. President, perhaps from my standpoint as a Republican and as one who disagrees with the basic philosophy of the proposed legislation, it would be a very easy thing for me to say, "This is a bill requested by the administration, which controls not only the executive branch but also both Houses of Congress. Therefore, let them have it. Let them hang themselves with this proposed legislation, and take political advantage of the failure of it to accomplish the purposes which they allege it will accomplish as an emergency measure."

Mr. President, I do not believe that is a proper attitude to take from my standpoint, because I think the connotation, the direction, and the form of the bill are morally and economically wrong for the feed grain producers of this country. I think it would act to their detriment if it were to become a law. The temptation from a political standpoint may be great to say, "Let them have what they propose. They control both the executive and the Congress. Let them have it. Let them hang themselves." However, I do not believe that is a justifiable position to take. I am not certain that the bill will necessarily "hang" the administration, but I think it will not accomplish the purposes they claim it will accomplish.

Not necessarily in order of importance, I wish to categorize certain points in a few minutes, to state some of the things which are wrong with the proposed legislation.

First, it does not take into account the problems with respect to wheat, which are troubling us equally as much is not more than the problems with respect to corn. It does not touch that great surplus problem.

Second, it is an attempt and a direct proposal to reestablish quota systems in the feed grain categories, and those quota systems have not worked in the past and will not work in the future.

Third, it is a direct movement toward the control of agriculture rather than the freedom of agriculture, because it proposes not only to fix the bottom of, but also the top of, the prices which the farmer will get for his feed grains. If that is not controlled agriculture in a controlled economy, I do not know what it could be called.

The bill is diametrically opposed to what many of us have worked for agriculture, which is the unshackling of agriculture to provide fair prices in a free market. It is opposed to the basic principles for which I, at least, stand in agriculture.

Next, it would establish an admitted and declared purpose on the part of the administration to coerce the American farmer into compliance, to force him into compliance with what his government says. In a great degree it is taken out of the voluntary category.

I know the bill is a voluntary bill, and I know it is said, "One can come in or stay out as one wishes," but the coercion and the plans and the policies testified to by the Secretary of Agriculture and by his adviser, Dr. Cochrane, are involved. It is their purpose—although it is not in the pending bill, since we took it out—to follow the principles of that notorious section 3 of the bill, which would permit the dumping of surpluses now in storage on the market at the market price, which could have no other result than a steady and gradual pounding down of the prices of farm commodities, and the American farmer would be directly affected by that. That is not in this particular bill, but it is in the bill which the House passed yesterday.

It is the principle which the Secretary of Agriculture earnestly proposes, and it is direct coercion on the farmer by knocking down the price of farm products in the marketplace. It opposes the basic objectives of free, unshackled agriculture with a fair price in the marketplace.

Most important is a subject that the junior Senator from Iowa [Mr. MILLER] was trying to reach with his amendment a moment ago. The bill definitely penalizes the efficient farmer who has husbanded his land according to the best practices, the farmer who has not in the last 2 years planted from fence row to fence row throughout his farm. Under the bill the farmer who has disregarded good land conservation practices, and who has reduced his corn acreage voluntarily and put it into other land conserving crops, will have a very low base

if he wishes to take advantage of this program; and the man who has violated good conservation practices and has planted his land to corn in the past 2 years will have a wide base and will be rewarded for disregarding good farm practices. The man who has tried to conserve his land will be penalized under the bill.

That is another reason why it is a bad bill in principle, and a bad bill from the standpoint of agricultural morale.

I do not wish unduly to prolong this discussion, so I am hurrying along. However, another item is a definite intent of the Secretary of Agriculture to increase the support price on soybeans from \$1.85 to \$2.30 a bushel. The office of the Secretary of Agriculture openly states that the purpose of that increase in the support price is to induce more farmers to plant soybeans. On the one hand they present a bill, which is an emergency bill, to cut down feed grain supplies. In another breath they say, "We are going to increase support prices on soybeans and increase the yield of soybeans."

Let us review what has happened, from the standpoint of agricultural and moral philosophy. We have heard much on the Senate floor, and we have heard much in the committees, about the freedom of agriculture, and of how agriculture operates in a free economy. Agriculture must have government help, if we get to that point. I am not saying we should abandon all agriculture programs. In other words, we should have a good agriculture program. I shall discuss that subject in a moment. But here is one crop—soybeans—on which the support price is \$1.85. The futures price of soybeans, as was pointed out a while ago, is \$3.05. The market price in Chicago today is somewhere around \$2.87—almost \$2.90. There is a crop which is taking care of itself in the free market, and is not dependent now upon any government support or government storage. It is a perfect example of a crop that is caring for itself. The experts now want to tinker with soybeans—to increase production—which in turn can have only one result. If we have a normal growing year, and we increase acreage, we shall fill more storage facilities with soybeans, thus bringing them under government control.

If such result occurs, we shall not have soybeans selling at \$2.85 or \$2.87 on the market. Because of the surplus, soybeans will be selling at exactly the support price, and the support price will become the ceiling and the floor on soybeans. The Government will then control the soybean market, to the detriment of the farmer.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a question?

Mr. HICKENLOOPER. I yield.

Mr. CASE of South Dakota. The junior Senator from South Dakota is not interested in a program which would establish a support figure and help to create a surplus. However, I am wondering whether the proposed increase from \$1.85 to \$2.30 as support for soybeans would be done under some provi-

sion of the bill, or whether it would be done under a provision of existing law.

Mr. HICKENLOOPER. It would be done under the provisions of existing law. The Secretary of Agriculture already has the right to take that action. It is not necessary to put such a provision in the bill.

The Senate Committee on Agriculture and Forestry took a definite stand. I do not know whether there was objection to this position in the committee or not. I know of none. There may have been. I shall not make a categorical statement along that line. But it was understood and agreed by the committee that we would insert a strong statement in the report objecting to this very program of the Secretary of Agriculture and for this very reason. Yet today on the floor of the Senate the distinguished Senator from Minnesota [Mr. HUMPHREY], who is a close friend and associate of his former Governor, the Secretary of Agriculture, stated flatly that it was the Secretary's intention still, in spite of what is said in the report of the Senate Committee on Agriculture and Forestry, to raise the support price of soybeans to \$2.30.

On the one hand, we are attempting to reduce surpluses; on the other hand, admittedly, according to the testimony, which I shall not take time to read, the Department of Agriculture wishes to increase the production of soybeans. There is an incompatible situation that is hard to rationalize, at least from my standpoint.

Another point to which I wish to invite the attention of Senators is one of the points raised by the Senator from Nebraska [Mr. HRUSKA] a moment ago. This is the 10th day of March. Agriculture programs were discussed during the political campaign of last summer and fall. This administration has been in power. There is reason to believe that the long-range agriculture bill of this administration has been prepared for some little time in the Department and it is being held there. We do not know what the long-range proposal will be. We do not know what the details of the administration's approach to agriculture problems may be. We have been confronted with a bill denominated an emergency bill. But we are without any guidance, and we have the refusal—and I am not necessarily taking umbrage at this refusal—of the Secretary of Agriculture even to discuss the details of his permanent long-range approach to the problems of agriculture before the Senate Committee on Agriculture and Forestry at the time of the hearing.

Yet I believe that bill is sitting over in the Department of Agriculture awaiting action on the present bill. After action on the pending bill, we shall receive a long-range bill.

I raise the question of whether it is part of the desire of the Department to commit Senators on this kind of legislation, and when a permanent bill is introduced, if it follows the same philosophy of control and coercion on the American farmer, confront such Senators with the fact that they are not being consistent if they do not vote for the bill establishing permanent programs, because

they voted for the emergency bill on the floor of the Senate. That question is another item that we must consider in connection with the bill. Without doubt we can assume that the direction to be taken by the permanent long-range bill which is to be sent over is indicated by the direction taken in the emergency bill that we are asked to act on today, and that the general philosophies contained in the emergency bill may well be expected to be contained in the long-range bill.

I do not know. However, I agree with the Senator from Nebraska that it is unfortunate that we do not have on our desks the administration's proposal for its long-range bill at the time we are asked to consider this proposed emergency legislation.

There is another possibility. There is much talk which has been heard about what this would do to price. All we have to do in that connection is to turn to the hearings held by the Committee on Agriculture and Forestry. There we find it repeated time and time again that it is the purpose and intention of the Department of Agriculture to keep corn prices down. That is repeated in the hearings time and time again, that it would be proposed to dump the storage surplus on the market at market price in order to keep the price of farm products down. I asked Mr. Freeman the direct question if he expected that the price of corn under the proposed program would under any circumstances go above \$1.20. Perhaps I had better read the colloquy. I do not wish to misquote anyone or quote anything out of context.

I asked the Secretary:

Senator HICKENLOOPER. Well now, is it your desire to get corn higher than \$1.20?

Secretary FREEMAN. If I might be permitted, there will be a time in the next month when I will submit to this committee a permanent wheat and feed grain program, and think in terms of our total relationship and where we go. This is an emergency program, and we have the midnight oil burning, and we are grinding away at that question, and I do not really think I can answer it.

He was not prepared to say at that time whether the price of corn would go over \$1.20 so far as the return to the farmer was concerned.

I wish to call attention to another possibility. They say they do not want corn to go below \$1.05. Well, we have seen examples in the past where participation in these programs has not been nearly so great as had been anticipated. I do not believe that participation in this program will be anywhere so great as they estimate. They frankly say that if it is not up to their hoped-for estimate of some 70-percent participation, the program will in varying degrees below that fail to accomplish its purpose.

However, let us take this assumption. Based upon the Secretary's own statement that he hopes to use some of these devices, such as putting corn on the market at market price to keep the price down, what is to keep a farmer who complies from getting payment for his retired land, getting \$1.20, storing his corn in Government storehouses, and then going on the market, as it has hap-

pened before, and buying corn at \$1.05, if the Department of Agriculture is going to keep the price down? If they keep their intention, as they have expressed it, that is what they want to do. They say they want to keep the price down for the noncomplier. They would do that in order not to punish the complier. So they will keep the market price down. There is nothing in the proposed legislation which provides that a man cannot grow corn for the Government, store it at \$1.20, go out on the market and buy it at \$1.05, and let Uncle Sam keep the corn in the bins.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. ELLENDER. The Senator will not find that provision in the bill before the Senate.

Mr. HICKENLOOPER. Oh, no. I did not say that there was such a specific provision in the bill. What is to keep a farmer from growing corn, going into the program, getting the \$1.20 support for the corn, receive his pay for the retired acres, and then go out on the market, if he needs corn, to buy corn at \$1.05?

Mr. ELLENDER. Who would sell it for that amount?

Mr. HICKENLOOPER. On the market, I said.

Mr. ELLENDER. But would the farmer want to sell it at \$1.05 when he could get \$1.20. I cannot follow the Senator.

Mr. HICKENLOOPER. I call attention to the fact that we have had these allocations before. A very small percentage of the corn growers have gone into the program. I believe 18 percent is the highest percentage that have ever signed up for the acreage allotment. Perhaps 20 percent has been the highest. It has averaged about 12 or 13 percent.

Mr. ELLENDER. I have already stated to the Senate that there was a lack of compliance by the corn growers, and I said I thought it was wrong. Does not the Senator feel that something must be done in order to curtail the huge surpluses that we have on hand?

Mr. HICKENLOOPER. I do, indeed.

Mr. ELLENDER. As I pointed out for the RECORD, the corn carryover has risen from 1958 when it was 1,470 million bushels, to about 2 billion bushels. If that keeps on, and we keep adding to this enormous surplus, we will simply get the corn producer deeper and deeper into the hole.

I have stated yesterday and again today that just as soon as we can do so, we will begin hearings on a program for corn and other feed grains, as well as wheat.

I do not have in mind the so-called long-range program to which the Senator has made reference. I do not know what that is, or what it will be. It strikes me, as I have stated on several occasions, that before we go into a long-range program, which the Senator has discussed, we ought at least to deal with wheat, corn, and feed grains, and get the corn and feed producer as well as the wheat grower in about the desirable position that the producers of cotton, rice, tobacco, and peanuts are.

The Senator well knows that corn is the only basic commodity with respect to which the producer has never received marketing penalties for overplanting. On the contrary, he has been given a price support for noncompliance. He has been put in a category which I believe is far different from the producers of any other commodity. It strikes me that when this proposal is enacted into law—and I hope it will be—that if the corn farmers do not follow through with it and try to help decrease the surplus, it will be an indication to me, as chairman of the committee, whether the corn producer does want any kind of bill to curtail production of corn and other feed grains.

Mr. HICKENLOOPER. The Senator from Louisiana is as dedicated and devoted to the solution of the agricultural problems facing our country as any other Member of Congress or any other citizen of the United States. He devotes tremendous time and impartial effort to this subject. I have vast respect for the Senator's integrity of approach and for his tremendous work and labor that he puts in as the chairman of the committee and as a Member of the Senate in attempting to solve the problem.

Wheat is not mentioned in the bill. Wheat is one of the troublesome items. It is not a part of the bill. Wheat cannot be touched in the so-called emergency legislation. The bill relates only to feed grains. I do not know exactly what the Senator's opinion might be, but my own opinion is that the bill will not materially or substantially decrease the supply of feed grains. I do not believe it will achieve that purpose, but it will establish controls.

Mr. ELLENDER. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. ELLENDER. The Senator mentioned the wheat program. I am sure that the Senator, as a member of the committee, well remembers that we tried to deal with wheat at the same time we sought to deal with cotton, corn, and rice. But when it was felt that we could not get Senators representing the wheat States to agree, we proceeded to consider programs for the other commodities. We dealt only with cotton, rice, and feed grains.

We tried to get a wheat bill again the following year—that is, 2 years ago. We succeeded in passing a bill which, as the Senator knows, was vetoed.

If the bill which was acted upon had not been vetoed, it would have been possible to decrease the minimum number of acres to be planted in wheat by about 14 million acres. But somehow we could not get the President to sign that bill.

Aside from the proposed reduction in the minimum national acreage allotment for wheat, we sought to close a number of loopholes which we felt should be eliminated. But all that went by the wayside.

If the Senator will permit me to do so, I shall repeat what I said earlier: It is my considered judgment that this very year we must take some action to deal with the wheat problem. Unless we do so, the problem will continue to

be aggravated, and together with the condition that faces us in corn, our whole program of price supports will be in jeopardy.

Mr. HICKENLOOPER. I thoroughly agree with the statement of the Senator from Louisiana that it is imperative that we take action on the wheat program and arrive at an economic, sound, equitable solution of that problem, just as it is necessary that we reach an equitable, sound solution of the feed grain problem.

So far as feed grains are concerned, I submit that the problem is not related solely to corn; it is not related solely to sorghums; it is not related to any other particular crop. It is the feed unit production in this country that swamps us. I think there are approaches whereby that problem can be solved; but so long as we approach the problem piecemeal, we will continue to stay in trouble.

Mr. President, the Senator from Louisiana made a suggestion a moment ago as to the kind of program we should adopt. The record is clear that Senators who may vote against the bill will not vote against it in order to defeat a bill which is for the good of agriculture. We shall vote against a bill which we think would be harmful basically to the economic well being of agriculture in the feed and grain area.

So far as my program or proposal is concerned—and I have proposed it repeatedly—there is now on file with the Senate a bill containing proposals which I support and which I think are sound.

Basically, those proposals are that the only way to attack the agricultural problem which faces the country, the problem of unmanageable surpluses, is to attack it at the point of production, and retire very substantial numbers of acres of productive land. My proposal is to attack the problem at the point of production rather than at the point of storage, after the grain has been grown, handled, and stored.

The exact number of acres which should be retired should be a matter for calculation by experts. However, I venture to say, based upon the advice of persons who have much more knowledge or ability to calculate these things than I have, that between 70 and 80 million acres productive land ought to be retired. Thereafter, the remaining land would be sufficient to raise what is needed in this country. Perhaps it might not be quite enough for current needs, but enough could be raised so that with gradual withdrawals from surplus and from stored commodities, we would be meeting our needs at a decent price to the farmer, and could begin the essential reduction of surpluses in our bins.

I shall not discuss all the details of that basic program, but I shall state that year before last the farmers of this country voted down quotas. However, at this time it is proposed that the Senate vote to impose quotas on them. In a referendum, the corn farmers of the country refused to give their support to the corn quota system for their acreage. But

that is what Senators are trying to provide by means of this bill.

Mr. LAUSCHE. I should like to ask a question. Twenty-eight million acres have been retired. The proposal of the Senator from Iowa contemplates bringing those 28 million acres up to approximately 70 or 80 million acres in the conservation reserve does it?

Mr. HICKENLOOPER. On this point I should like to be corrected by counsel for the Committee on Agriculture and Forestry. However, I believe that out of those 28 million acres, 11 or 12 million are producing acres, although perhaps some of them are marginal, and there are approximately 14 or 15 million acres in permanent timber or in land of that kind.

Let me ask whether the Senator from Louisiana has those figures available.

Mr. LAUSCHE. The question is how many acres have been retired under the reserve.

Mr. HICKENLOOPER. I think the total is approximately 28 million. But the major portion of that is timberland, and for the remaining 11 or 12 million acres the contracts begin to expire, or I believe some of them started to expire last fall, or are beginning to expire this year. So in the next 2 years, those 11 million acres will be back in production, unless the contracts are renewed or unless the land is again retired to the reserve.

I favor a program to prevent the production of these surpluses; and thus we shall get away from the problem of trying to handle the surpluses that are unmanageable at the point of storage.

In conclusion, Mr. President, I say that perhaps the line of least resistance for those of us on this side of the aisle would be to say that the Democrats have not only the Presidency and the administration, but also the Congress, and that this bill is what they say they want, and that although we do not believe it is a good bill, we shall let them have it, and therefore we shall vote for it; and that if it embarrasses them, we shall be jubilant about that.

But I do not think we should treat the economies of the farm problem in that way; and that is why I take this stand. I do so because I think the objective of this bill is a direct reversal of a sound program directed toward betterment of the economy of the farmer. That is why I must oppose programs of this kind, which I believe will not serve a free and a free-moving economy in agriculture.

I do not wish to vote for a bill of this kind, at this time, merely on the basis of saying, "Let them have it; let them have what they want," and then next week or the week after that, when we are confronted with a so-called permanent farm bill, which I apprehend will be along the same general line or philosophy of control and of quota and of dictation and of ceiling and floor, be accused of inconsistency, if I vote against that bill.

On this floor we have heard a great deal in the past few days about consistency. I think sometimes we have seen some evidences that there might have been some inconsistency on this floor. But what we do in this particular

field is extremely important to my area and, in view of my dedication and the dedication of the others of us who come from my part of the country, is extremely important in terms of a program of genuine benefit to the farmers and in terms of a program which will be genuinely sound, and not be a piecemeal palliative that treats the symptoms, but does not treat the disease, and that in the long run will not provide the emergency relief that is desired, but, instead, will set a pattern for agriculture, and will move in a direction toward control, allocation, and regimentation of agriculture, that will be offensive and will be diametrically opposed to a program of unshackling agriculture and of proceeding on a basis of programs which basically will attack these problems at the point of origin, rather than at the point of storage.

Mr. ELLENDER. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. ELLENDER. It is not my purpose to discuss the proposal the Senator has at the desk; but I wish to refer to the acreage reserve program. It was advocated, and its proponents thought it would result in a decrease in production.

But, for instance, in 1956, although 5.3 million acres of corn-producing land were retired from production, and although that program cost the Government \$179 million, nevertheless the farmers produced on the remaining land—that remaining after the 5.3 million acres had been retired—an additional 225 million bushels of corn.

Mr. HICKENLOOPER. I assume that is correct.

Mr. ELLENDER. Yes, it is correct; I know it from the record.

And in 1957, with a curtailment of 5.2 million acres of cornland, there was a reduction of only 33 million bushels, and the cost to the Government was \$196,400,000.

And in 1958, although there were 6.7 million acres in the reserve program, and although that cost the Government \$282,300,000, the farmers produced 379 million more bushels of corn.

So in the 3 years I have just mentioned, with a curtailment of approximately 17 million acres—which cost the Government \$658 million—the corn farmers produced approximately 571 million more bushels of corn.

Mr. LAUSCHE. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. First, let me make a brief comment; and then I shall yield to the Senator from Ohio.

Mr. President, I am sure those statistics are accurate, and that there was an increased production on less acreage. Of course that increase has been ascribed to increased use of fertilizer, better conservation methods, better treatment of the soil, and so forth. But, by the same token, if we cut the acreage 30 percent now, what is to keep them from putting more fertilizer on the remaining acres, and repeating the same thing, and thus defeating the purpose of this bill?

Mr. LAUSCHE. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. LAUSCHE. Let me say that when the Senator from Louisiana argues that in these several years the reduction of acreage did not produce a reduction of crops, that argument must be applied to the bill now before us. It would lead to the conclusion that if, in 4 years' reduction in acreage, there was not produced any reduction in crops, in 1 year a reduction in acreage by 30 percent would not reduce acreage in crops.

Mr. ELLENDER. Let me say to the Senator from Ohio that in this case where a cut of 30 percent is required for price support, it is expected about 27 million acres of land will be retired.

Mr. LAUSCHE. I agree with that statement.

Mr. ELLENDER. Let me also say that the farmers, of course, have learned a good deal about better ways and means of growing corn. I do not believe in this case they will be able to increase yields materially, because I do not think they can do this in only one year. Therefore, I say if we are able to have 30 percent of the acreage cut, we are likely to reduce the production of corn and feed grains, according to the estimate made, by 500 million to 700 million bushels.

Mr. LAUSCHE. That would mean that while, in the past we have not cut enough acreage, if we do cut enough we will eventually reduce production to the point where it will have some reasonable relationship to consumption. I think that is what the proposal of the Senator from Iowa contemplates. He argues that the 28 million acres placed in the conservation reserve have not been adequate, and if that number is increased up to the point of 80 million, production will be obtained at the point desired.

Mr. ELLENDER. He would not do that on corn production.

Mr. LAUSCHE. It would be effective on the crops over all.

Mr. ELLENDER. Yes. The bill before us contemplates cutting the acreage now in the production of corn and other feed grains by 30 percent, which would retire about 27 million acres, as I indicated a moment ago.

Mr. HICKENLOOPER. If I thought for one moment that this bill would give us a reduction of feed grain acreage in this country of 30 percent, that would certainly be a horse of a different color. In my opinion, I think it will not; and I think we have to look at the history of compliance, and the small percentage of compliance in these programs, at really attractive prices, in the past. That is the only thing that can guide us. I do not think we can count on what is anticipated.

Manifestly, if we could take out of production 30 percent of the acreage, there would be a different picture. I do not think we can anticipate it. While I do not have a crystal ball that will tell me how many acres will be taken out of production in this program, I point out that in many parts of the country farmers have been planting, that plans have been made, and it is rather difficult for farmers to change their plans.

To the small feed producer who has small acreage, this proposal is not go-

ing to be very attractive. The producer who has 40 or 60 or 80 acres, with only a part of it producing feed grains, is not going to take out of production 4 or 6 or 8 acres. In general, he will say, "I will not pay any attention to the program," and he will produce a little more, with the hope that the price will go up.

I do not think this proposal would bring about the compliance anticipated or projected by the department, and I do not think it would have any success in solving the emergent problem. I agree there is an emergency before us, but I do not believe control of agriculture or price fixing—and this is price fixing, both ceiling and floor—is the way to approach the problem.

During the delivery of Mr. HICKENLOOPER'S speech,

Mr. MORSE. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. MORSE. Perhaps the Senator from Iowa, the Senator from Louisiana, or the Senator from Minnesota can help me. I have received telegrams from barley growers in my State who grow a special barley for malt purposes. One telegram reads as follows:

PORTLAND, OREG., March 9, 1961.

HON. WAYNE MORSE,
U.S. Senate, Washington, D.C.:

We are farmers of 1,500 acres land producing malting hanchen barley and have customers who deliver malting barley to our elevators from an additional 5,000 acres, and my home is in Merrill, Oreg. Therefore, strongly urge you closely follow current feed grain bill 993 which understand includes barley at discretion of Secretary of Agriculture. If passed in present form and Secretary of Agriculture eventually includes barley resulting in acreage reduction would be harmful to Oregon producers malting barley produced in Klamath Falls area sold at premium prices and supply normally only sufficient needs of processors.

IVAN KANDRA,
Manager, Minema Elevators, Inc.

My first question is: Would the Secretary of Agriculture, under the bill, have the discretion to include barley?

The second question is: Have we any assurance that the Secretary would not make that great mistake and thus bring this special producer group under the regulations of the act, when malting barley should really not be considered as a part of the feed grain program?

Mr. HICKENLOOPER. If I may be permitted to do so, I should like to yield to the chairman of the committee and his legal counsel for advice on that particular subject. The Senator's question refers to barley and malting barley. Having no particular interest in malt or malting barley, except from an economic standpoint. I would rather have the Senator from Louisiana answer that question. I do not feel capable of answering it.

Mr. ELLENDER. As I have indicated on the floor of the Senate several times, we are trying to deal primarily with corn and grain sorghum. The Secretary of Agriculture has wide discretion with respect to dealing with barley, oats, and rye. I feel confident that if the Senator is referring to barley used for beer-making purposes—

Mr. MORSE. Yes; for malting purposes.

Mr. ELLENDER. I doubt that the bill would be effective at all if that is not a feed grain. We are dealing here with feed grains.

Mr. MORSE. Does the Senator from Louisiana think it would be possible, before we vote, to have a member of the staff communicate with the Secretary of Agriculture and at least get an understanding or an assurance from him that he will regulate only the barley used for feed grain purposes, and not barley used for malting purposes, for human consumption?

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. Malting barley is not, as such, a feed grain. It is a special-use grain. It is not in surplus. It is of high market value. I am sure that the fact that its control is at the discretion of the Secretary would indicate that he is supposed to have enough sense not to move into it. I think he has that sense; in fact, I know he has.

Mr. MORSE. Do not put me on that kind of spot. I have great respect for the Secretary of Agriculture. However, I think he also would have the good sense to give us some assurance about this matter before we vote, if he expects to follow the course which the Senator from Minnesota indicates he will follow. I should like to have a member of the staff see if he can get a statement from the Secretary of Agriculture which would make it possible for me to vote for the bill.

Mr. President, I ask unanimous consent to have printed in the RECORD, at the close of the remarks of the Senator from Iowa [Mr. HICKENLOOPER], my colloquy with the Senator from Louisiana and the Senator from Minnesota and the telegrams I have received on this subject matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

McMINNVILLE, OREG., March 10, 1961.

Senator MORSE,
Senate Office Building,
Washington, D.C.:

We are concerned about possible effect feed grain bill 993. As we interpret bill includes barley at discretion of Secretary of Agriculture. If barley were included and bill passed this would be extremely bad for our producers. First, barley is not in surplus here. Second, would seriously affect price of malting barley produced in Willamette Valley and Klamath Falls area and 90 percent barley produced these areas is produced for malting purposes at premium prices and only enough to meet demand of malsters. This area sure does not need anything to further reduce producers income.

BUCHANANCELLERS GRAIN CO.

PORTLAND, OREG., March 9, 1961.

HON. WAYNE MORSE,
U.S. Senate,
Washington, D.C.:

Strongly advise you closely follow current feed grain bill No. 993 which understand includes barley at discretion of Secretary of Agriculture. If passed in present form and Secretary of Agriculture eventually includes barley resulting in acreage reduction would be extremely harmful to Oregon producers malting barley produced in Willamette Val-

ley, Grand Ronde Valley, and Klamath Falls area which raise approximately 90 percent malting barley sold at premium prices and normally supply only sufficient needs of processors.

ARCHIE DANIELS MIDLAND CO.,
H. W. COLLINS, Vice President.

PORTLAND, OREG., March 9, 1961.

HON. WAYNE MORSE,
U.S. Senate,
Washington, D.C.:

Strongly urge you closely follow current feed grain bill No. 993 which understand includes barley at designation of Secretary of Agriculture. If passed in present form and Secretary of Agriculture eventually includes barley resulting in acreage reduction this would be extremely harmful Oregon producers; namely, (1) barley in general not in surplus supply in Western States; (2) would seriously affect malting barley producers in Willamette Valley and Klamath Falls area who rate 90 percent malting quality sold at premium prices and normally supply only sufficient cover needs of processors.

PORTLAND GRAIN EXCHANGE,
W. C. MIKKELSEN,
Vice President.

Mr. MORSE. Mr. President, I close, with the Senator's permission, by saying only this: All I need is to have the Secretary of Agriculture send us a message that it is his intention to regulate barley only in respect to its feed grain uses, and not in respect to its human uses, in relation to the making of beer. I say that as a teetotaler.

Mr. HICKENLOOPER. Mr. President, I apologize to the Senator from Oregon for not being able to answer his question concisely. I hope he has received a satisfactory answer. While he was speaking, I was discussing a matter with another Senator.

Mr. MORSE. Up to the present time, I have received an answer from the Senator from Louisiana in reference to the question, but I am hopeful that the Secretary of Agriculture will be able to enlighten us further.

Mr. HICKENLOOPER. I take it the Senator's constituents are interested in the spiritous quality of barley.

Mr. MORSE. I think the economic income from it is what they are interested in.

Mr. CARLSON. Mr. President, I do not want to let the debate close without stating again that I expect to support the pending legislation. I support it with misgivings, but I wish to place in the RECORD a letter I have received from Walter C. Peirce, president of the Kansas Farm Bureau, of Manhattan, Kans. I read one paragraph:

I note that the Senate Agriculture Committee has eliminated section 3 of the feed grains bill. This certainly takes care of the most objectionable feature of the administration's proposal. I hope you will vigorously oppose this feature of giving the Secretary of Agriculture power to break the market price of feed grains by sale of CCC stocks.

I wish to commend the Senate Committee on Agriculture and Forestry for eliminating that provision. I sincerely trust that action will be sustained when the bill comes back from conference between the Senate and the House. If that is not done, I shall be obligated to vote against the bill on final passage.

Mr. President, there are two other paragraphs in the letter which I ask

unanimous consent to have printed at this point in the RECORD.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

We have been saying that the Farm Bureau cropland adjustment program would look better when we could compare it to a specific bill. It now looks much better and would be simpler to administer. It also ties wheat and feed grains together. The commodity by commodity approach that we have had in the past allowed the wheat farmers in Kansas to grow feed grains and the corn-growers of the East to raise more wheat. It would seem unwise to rush through legislation for feed grains and then find a wheat bill that did not fit in.

The idea of retiring some land from production is a good one but the administration bill is much too similar to the discredited acreage reserve program of a few years ago. High payments for taking land out of production for 1 year will put some money in circulation but we will reap more public disfavor than we have yet seen. As you know it is now quite serious.

Mr. CARLSON. Mr. President, I also have a resolution from the legislative committee for Hamilton County Farmers Union, and I ask unanimous consent that it also be made a part of my remarks at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the farmers net income has decreased to a disastrous low; and

Whereas farmers are aware that excess production has contributed immeasurably to depressed farm commodity prices to farmers; and

Whereas farmers in general, regardless of some farm organizations policies, do believe that agriculture must manage its supplies in order to receive an equitable income from the farm; and

Whereas farmers do believe that referendums in regards to supply management and prices of various commodities should be held; and

Whereas farmers have generally agreed that bargaining cannot be attained without control of supply by quotas or other methods; and

Whereas this Nation's economy shall not remain healthy with a contagiously sick agriculture in its midst; and

Whereas farmers are being forced from the land not because of inefficiency but because of economic distress to join the jobless laborers in the city: Therefore be it

Resolved, That the Congress and the Senate of the United States support this administration in its drive to bolster farm income during this session of the Congress by whatever legislative devices, tools, and mechanisms necessary to attain an income for farmers as the Congress so righteously has done for this Nation's industry and labor.

A. C. Westeman, Syracuse, Kans.; Murlin Carter, Syracuse, Kans.; Fred Westeman, Syracuse, Kans.; Marion Wickerly, Syracuse, Kans.; Gene Schwerdfeger, Coolidge, Kans.; I. L. Nickerson, Syracuse, Kans.; Mrs. I. L. Nickerson, Syracuse, Kans.; Walter Westeman, Syracuse, Kans.; E. L. Hatcher, Syracuse, Kans.; L. J. Eddy, Coolidge, Kans.; Arthur E. Carter, Syracuse, Kans.; Charles Van Eddy, Coolidge, Kans.; H. A. Forbes, Syracuse, Kans.; Mrs. Murlin Carter, Syracuse, Kans.; Roy H. Dunagan, Syracuse, Kans.; Basil W. Crist, Syracuse, Kans.

Mr. YOUNG of North Dakota. Mr. President, I wish to say only a few words. Some legislation on the problem of surplus feed grains is a "must" at this time. We cannot ignore the fact that there has been a far sharper build-up in feed grains than even in wheat. The Government owns 2,700 million bushels of feed grains. There will be a carryover of 3 billion bushels. The situation will be worse after this crop year if nothing is done.

The bill before the Senate is not a perfect one, but I do not know how anyone can ignore the fact that something must be done. I think the measure represents a pretty good compromise between the Democratic and Republican policies. If this is impossible, then I think nothing is possible.

Our problem in the last several years has been that people and organizations have not been willing to compromise. Unless they got everything they wanted, they wanted nothing at all. That is the reason why surpluses have been going up year after year.

Mr. BRIDGES. Mr. President, I am no stranger to the problems of farmers. I was brought up on a farm, and spent my early years in agricultural work, and I am well aware of the hard work, the problems, and the disappointments, and on the other side of the ledger, the vast pleasures of farm living. So I am most sympathetic to the farmers and to the problems which they face.

But, being sympathetic to farmers, in my view, does not involve putting around their necks the yoke of a huge Government bureaucracy dictating when the farmer is to plant, how much he is to plant, how much to throw away and how much to harvest. We have saddled the farmer with this bureaucracy in recent years, and I submit that this bill will merely add to the already complicated farm situation. Should there be sufficient votes for passage of S. 993, I fear that we will be taking a giant step in the direction of the ultimate abolishment of the free farm.

We have gone so far in this direction already that it does not take too much imagination to foresee an agricultural system which is completely Government controlled.

I am opposed to this bill.

There have been many claims as to what the bill would do for the farmers. I am more concerned what it will do to them. As the senior Senator from New Hampshire, I would be remiss in my duties if I were not to take a long look at the effects of this bill on a deficit feed area. After all, the entire Northeast finds itself in this category. Our farmers must purchase most of their grain in order to produce milk, dairy products, eggs, and poultry.

Raise the price of corn from \$1.06 to \$1.20 per bushel, as this bill contemplates, and we raise the price to all of the dairy and poultry farmers of the Northeast. We all know, I am sure, that farmers will try not to absorb this added cost. Instead, they will seek higher prices for dairy and poultry products,

and these higher prices will involve all the consumers.

I want to make the record clear for my part. I am not in favor of raising prices for anything by Government order. I firmly believe in the competitive market. I know of no adequate substitute for a fair market price. I refuse to believe for one second that the farmers of this Nation—they who have been intelligent and resourceful enough to become the most efficient producers of food and fiber in the history of the world—honestly want their prosperity to come at the expense of the American taxpayers. Let us take a broader look at the bill.

The principal architect is not the Secretary of Agriculture, but Willard Cochrane, former professor of agricultural economics at the University of Minnesota.

Professor Cochrane long has been an advocate of Government control in agriculture, both as to production and to marketing. His position is set forth most clearly—it leaves no doubt—in a paper submitted to the Joint Congressional Economic Committee in 1957.

In this paper he said agriculture should be regarded as a "giant public utility composed of many, many small producing units acting in concert with the aid and consent of Government to produce the quantities of food and fiber required by consumers at a fair return to the producers involved."

I continue his quotation:

In this view, Government establishes the institutional machinery for and grants the power to agriculture to enable the many, many producers involved to produce those quantities of farm products demanded by consumers at a fair price. For this grant of market power, Government reserves to itself, as in the case of any enfranchised public utility—e.g., the railroads, telephone companies, and gas and electric companies—the right to determine and fix rates and prices; hence, the right to determine fair returns to the producers involved.

I did not dream up this language. It was written by Mr. Cochrane, the architect of this bill now before us. Translated—and translation is simple—it means an agriculture completely controlled by the Government, and agriculture in which the farmer has no freedom and in which the marketing system as we have known it over the years is completely destroyed.

This is not the last time we will be confronted with a Government control theory for agriculture. It will recur again and again in proposals sent to this Congress. It will manifest itself until we make it plain that we do not want a collectivist agriculture, and we emphasize that we do not propose to destroy this country's marketing system for farm products.

I am not insensible to the fact that many farmers are in difficulty, but the farmers are not completely alone in this connection. There are many small businesses, indeed entire industries, which are experiencing serious problems at this time, but I will be the last to advocate

that the Government step in to assist by controlling production, distribution and prices.

The bulk of the correspondence which I have received regarding the farm program consists of appeals for less Government interference rather than more. These protests against Government control over agriculture indicate to me a healthy condition. I hope the day will never come when, instead of deploring Government intervention in private enterprise, letter writers will be extolling its virtues and asking it to be expanded to their particular line of endeavor.

I submit that the bill has far-reaching ramifications. I shall vote against it, and I hope a majority of my colleagues will do the same.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. ELLENDER. Mr. President, I move that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of H.R. 4510.

The PRESIDING OFFICER laid before the Senate the bill (H.R. 4510), to provide a special program for feed grains for 1961, which was read twice by its title.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 4510) to provide a special program for feed grains for 1961.

Mr. ELLENDER. Mr. President, I move to strike out everything after the enacting clause and to substitute therefor the language of Senate bill 993, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. It is my understanding that the yeas and nays were ordered on passage of the Senate bill.

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. It is correct to say that in view of the displacement which has taken place there is a negation of the order for the yeas and nays, and that it is once again in order to ask for the yeas and nays on passage of H.R. 4510?

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on passage of the bill, H.R. 4510.

The yeas and nays were ordered.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 4510) was read the third time.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I have listened very carefully to the argument and have examined my own conscience in regard to the bill. What confronts us is substantially this: We have heard a Macedonian cry from the President and from the Secretary of Agriculture. In their message they have asked for help. They have said, "Here is looming disaster because of a lack of shortage, for one thing, and the danger of an aggravated feed grain glut over and above what we have at the present time." That seems to be the difficulty.

Coupled with their cry was a request for a weapon, in the form of power to be given to the Commodity Credit Corporation to manage the surpluses by selling in the market whenever it was felt to be necessary.

I am delighted that the Senate Committee on Agriculture and Forestry saw fit to take that weapon from the bill, and I express my concern that the Senate conferees will not yield on that point when they go to conference on the bill.

The House has already adjourned. The bill cannot be sent to conference with the House of Representatives until Monday, but we have assurance, given by the distinguished chairman of the committee in open Senate, that if a difficulty ensues with respect to section 3 he will return to the parent body for an instruction. We could not ask for more, and I think that is a generous concession on his part.

Finally, the Senator from Louisiana saw fit to accept an amendment requiring that 90 days after the effective date of the bill there shall be a detailed report on the number and percentage of cooperators, the amount of grain in kind which may have been sold under the so-called payment in kind provisions, and other details, which would reach us by the middle of July and be timely for the purpose of considering a long-range agricultural program.

Under those circumstances, I shall support the bill. When I do, Mr. President, I shall not for a moment share any feeling any Member of the Senate may have that I am setting a precedent or that I am committed to a course which I cannot reverse. If it is a Macedonian cry, if there is a looming disaster, I do not wish to stand in the way, but it is not going to charge my conscience not to do what I must do when the emergency is no longer before us and we are ready to consider a long-range agricultural program, which I presume will be before us in a short time.

With those considerations in mind, I shall support the bill in the hope that

it will meet the expectations of its sponsors, even though I have grave doubts on that subject myself.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JORDAN (when his name was called). On this vote I have a pair with the junior Senator from Virginia [Mr. ROBERTSON]. If he were present, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

Mr. KEATING (when his name was called). On this vote I have a pair with the distinguished Senator from Kansas [Mr. SCHOEPPPEL], who is absent on official business. If he were present, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mrs. NEUBERGER (when her name was called). On this vote, I have a pair with the junior Senator from South Carolina [Mr. THURMOND]. If he were present, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

Mr. SMATHERS (when his name was called). On this vote I have a pair with the senior Senator from Indiana [Mr. CAPEHART]. If he were present, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

Mr. PASTORE (when his name was called). On this vote I have a pair with the distinguished senior Senator from Mississippi [Mr. EASTLAND]. If he were present, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Wyoming [Mr. HICKEY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Utah [Mr. MOSS], the Senator from Virginia [Mr. ROBERTSON], and the Senator from South Carolina [Mr. THURMOND] are absent on official business.

I further announce that the Senator from Texas [Mr. BLAKLEY] and the Senator from Oklahoma [Mr. MONRONEY] are necessarily absent.

I further announced that, if present and voting, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Utah [Mr. MOSS], and the Senator from Oklahoma [Mr. KERR] would each vote "yea."

On this vote, the Senator from Texas [Mr. BLAKLEY] is paired with the Senator from Louisiana [Mr. LONG]. If present and voting, the Senator from Texas would vote "nay," and the Senator from Louisiana would vote "yea."

On this vote, the Senator from Wyoming [Mr. HICKEY] is paired with the Senator from Tennessee [Mr. KEFAUVER].

removed from Washington, D.C., I sincerely hope that the President of the United States will see to it that some instructions get down to his departments. The President should not have to do this himself, because those whom he has put in charge of the emergency programs should be doing it without any further instructions.

I speak respectfully. Although the printed language may not indicate it, I do speak in a very kindly mood. The pressures under which the administration is functioning are evident. No one can expect it to do everything overnight. The fact is this critical situation in Oregon is very serious.

I had hoped it would not be necessary to make this type of speech again in order to get some expediting of procedures which are necessary in the various departments of the Government to give some attention to the distressed situation in the State of Oregon.

The President knows that he can count on me to give my undivided support to his great housing program, and to get that passed. That will be a great help to my State, because it will help get construction started. The distressed area bill, now pending before the Senate, will be of help.

However, there are some things that can be done administratively by the executive branch prior to the passage of these pieces of proposed legislation. There is a considerable amount of criticism in my State that it was not seen fit to include my State in the food stamp program and in some of the other emergency measures which the President quite properly in his Executive Order No. 1 has made available elsewhere in the country.

I hope that this kindly intended advice to the administration will be heeded. Senators know that I shall not remain silent if it is not heeded. The people of my State deserve an equal break in whatever relief can be made available to them under the policies of the President.

I now read to the Senate the resolution which was adopted by both houses of the legislature of my State:

To the Honorable Senate and House of Representatives of the United States of America, in Congress Assembled:

We, your memorialists, the 51st Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent that:

Whereas there are presently 20 U.S. naval installations in the State of California, 8 U.S. naval installations in the State of Washington, and 1 U.S. naval installation in the State of Oregon; and

Whereas the one U.S. naval installation in the State of Oregon is presently being deactivated; and

Whereas there were awarded, in the year 1960, approximately \$4,800 million in military prime contracts to contractors in the State of California (representing 23.7 percent of the total military prime contracts awarded); \$715,087,000 in military prime contracts to contractors in the State of Washington (representing 3.5 percent of the total military prime contracts awarded); and \$23,963,000 in military prime contracts to contractors in the State of Oregon (representing 0.1 percent of the total military prime contracts awarded; and

Whereas the economic and social welfare of this State and of this Nation is in large measure dependent upon the just and equitable utilization of the resources of this Nation by the Federal Government as well as the just and equitable exercise of Federal power: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring):

1. The Congress and the Federal Government are memorialized to take immediate action to insure that the resources of this State are properly and equitably utilized by the Federal Government in its planning and preparation of the defenses of this Nation.

2. Copies of this memorial shall be sent to the President of the United States, the Secretary of Defense, and to all members of the Oregon congressional delegation.

The naval installation which is located in my State at Tongue Point, outside the city of Astoria, Oreg., is an exceedingly small installation. It is an installation, however, which was of great assistance to this country in World War II. I have never taken the position, and do not intend to take it now, that any installation in my State must be kept activated, if the best interests of my country as a whole call for its deactivation. I have not taken that position in regard to the naval station at Tongue Point. Perhaps there is justification for deactivating it as a naval station. I am waiting for that proof. None has been received which in my judgment justifies the Defense Department's proposal to deactivate that station.

Let us assume that it can produce that proof.

Then we have no right to insist upon its being continued in the same use to which it has been put in the past.

However, deactivating it as a naval base does not mean that there is any justification for abandoning it as a facility for other uses.

In view of the fact that Oregon is such a serious depressed area at the present time, and in view of the further fact, as I have said before in this speech, that Oregon has been discriminated against for a long time in respect to both Federal installations in the State and the expenditure of Federal funds on a per capita basis, I respectfully call to the attention of the President and the various agencies of the executive branch of Government, that favorable consideration should be given to using the Tongue Point naval facilities for some other Federal functions or services.

The President has pointed out the need for a speedup in an oceanography program. Tongue Point is a facility located on the shores of the Pacific. I recommend its consideration as an excellent location for the headquarters for a Federal oceanography program. I am advised that it would make an excellent headquarters for such a Federal facility. There are many other Federal uses to which the installation could be put. For example, I understand that there is going to be a need for the establishment of a missile training base, a submarine training base, an Air Force training base, and possibly other defense training programs.

There are undoubtedly other Federal facilities for which the administration

will be asking for appropriations in the near future to which use this facility could be put. Therefore, I respectfully ask the administration in this speech today to have its various departments give consideration to the Tongue Point naval installation in my State before any request is made for appropriations for new construction anywhere else, at least in connection with which this particular facility at Tongue Point might be used.

As I have indicated in this speech, and as is well illustrated by the memorial passed by the Oregon Legislature, the people of the State of Oregon are very much upset over the unfair discrimination that has been practiced on the State of Oregon in the expenditure of Federal funds for a good many years.

For example, there is now pending the controversy over the moving of the regional post office from Portland to Seattle. This was started under the Summerfield administration in the Post Office. The record of this controversy leaves no room for doubt that it was initiated as a political move on the part of former Postmaster General Summerfield.

It was through the intervention of the Senator from South Carolina [OLIN JOHNSTON], that we were able to stop the move prior to the November election. Senator JOHNSTON, in a wire to Postmaster General Summerfield, requested that the Postmaster General not proceed with the move of the regional post office from Portland to Seattle until the Senate Committee on Post Office and Civil Service could investigate the matter and hold hearings on it.

Summerfield acceded to Senator JOHNSTON's request until after the election. However, shortly after the elections, Summerfield ordered the move to start again and further protests from Senator JOHNSTON and the members of the Oregon delegation were of no avail.

The new administration in the Post Office is now conducting an investigation into the matter upon the request of the Oregon delegation. We are satisfied that the move never should have been started in the first place, and that it certainly should not be completed. In fact, it is the position of the Oregon delegation that those divisions of the post office which have already been moved to Seattle, should be moved back to Portland.

This is but another example of the unfair treatment which Oregon is receiving in comparison with the favorable treatment which California and the State of Washington have been receiving for some time in respect to the location of Federal installations and the expenditure of Federal funds.

Oregon is at the bottom of the totem pole, so to speak, in comparison with other western States in the expenditure of Federal funds.

A big part of my job is to see to it that the people of the State of Oregon get equitable and fair treatment. I have been protesting this situation for the past 8 years. I say most respectfully that I had reason to assume that under a new administration the wrongs of the past would be ended.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of March 13, 1961
87th-1st, No. 44

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HIGHLIGHTS: Senate debated depressed areas bill. House committee reported minimum wage bill.

SENATE

1. DEPRESSED AREAS. Continued debate on S. 1, the depressed areas bill. pp. 3549-53551-2, 3557-8
2. FARM LABOR. Agreed to as reported S. Res. 36, to authorize the Labor and Public Welfare Committee to investigate matters pertaining to migratory labor. pp. 3548-9
3. PEACE CORPS. Sen. Muskie commended the President's action establishing a Peace Corps of young persons to assist underdeveloped nations. pp. 3550-1
4. ELECTRIFICATION. Sen. Mansfield inserted a guest editorial and an editorial response in a Columbia Falls, Mont., newspaper presenting pros and cons of "the controversy over whether a private or public hydroelectric power development brings the greatest benefit to a local economy." p. 3544
5. RECREATION. Sen. Miller was appointed to be a member of the Outdoor Recreation Resources Review Commission. p. 3546
6. SURPLUS COMMODITIES. Sen. Gruening inserted a table prepared by the Bureau of Commercial Fisheries, Department of the Interior, showing the calculated

apportionment of Sec. 32 funds to the States as called for in S. 1230, to provide for an increased proportion of Sec. 32 funds to be allocated to the States for the rehabilitation and development of fishery resources. pp. 3542-3

7. EDUCATION. Sen. Humphrey discussed and inserted a summary of S. 1021, the administration's bill for Federal aid to education, including aid to schools in Federally impacted areas. pp. 3553-6

8. WATER RESOURCES. Sen. Carlson inserted a Kans. Engineering Society resolution urging greater development of water resources. p. 3541

HOUSE

9. SUGAR. The Agriculture Committee was granted permission until midnight Mar. 13 to report H. R. 5463, to extend the Sugar Act. p. 3559

10. FEED GRAINS. Conferees were appointed on H. R. 4510, to provide a special program for feed grains for 1961 (p. 3559). Senate conferees have already been appointed.

11. LABOR STANDARDS. The Education and Labor Committee reported with amendment H. R. 3935, to amend the Fair Labor Standards Act and increase the minimum wage gradually to \$1.25 an hour (H. Rept. 75). p. 3593

12. FOOD ADDITIVES. The Rules Committee reported a resolution for consideration of H. R. 3980, to amend the transitional provisions of the act of September 6, 1958, "To protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of additives which have not been adequately tested to establish their safety." p. 3593

13. FORESTRY. Rep. Landrum urged "additional money so that the U. S. Forest Service and the Fish and Wildlife Service can move forward expeditiously in establishing wider opportunities to enjoy the pleasures of our national forests," and inserted a newspaper editorial, "For the Best Use of Nation's Forests." p. 3561

14. FOREIGN CURRENCIES. Received the report of the Ways and Means Committee on the expenditure of foreign currencies in connection with foreign travel by members of the committee. p. 3592

15. FOREST RECEIPTS; TAXATION. Received an Idaho Legislature resolution favoring enactment of legislation to provide that 25 percent of forest receipts be distributed to the counties in lieu of taxes for public schools and roads. p. 3594

16. MEAT AND WOOL IMPORTS. Received an Idaho Legislature resolution urging greater restrictions on the importation of meat and meat products, hides, wool, woolens and other related products. p. 3594

17. LEGISLATIVE PROGRAM. Rep. McCormack announced that the food additives bill will be considered today, Tues. p. 3560

ITEMS IN APPENDIX

18. MINERALS. Extension of remarks of Rep. Ichord stating that "southern Missouri is experiencing a mineral exploration and development boon which promises to

House of Representatives

MONDAY, MARCH 13, 1961

The House met at 12 o'clock noon.

Rev. Clarence W. Cranford, minister of Calvary Baptist Church, Washington, D.C., offered the following prayer:

How wonderful it is, our Father, to breathe the air of freedom. Help us to remember that freedom is a trust. We must show we deserve to have it by the way we use it. Remind us, Oh God, that when the Bible talks about truth, honesty, purity, justice, these are not merely nice things to think about if we happen to be in the mood; these are the only bases on which a free society can exist.

May the reward of our decisions be the satisfaction of knowing that we have acted with integrity.

We thank Thee for these leaders who have given up so much of their right to privacy in order to be public servants. Give them strength sufficient for their tasks, and wisdom as they face the terribly involved problems of our day. May the welfare of the country and the peace of the world be their magnificent obsession.

And we pray it for Thy name's sake. Amen.

THE JOURNAL

The Journal of the proceedings of Friday, March 10, 1961, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGowan, one of its clerks, announced that the Senate had passed with an amendment, in which concurrence of the House is requested, a bill of the House of the following title:

H.R. 4510. An act to provide a special program for feed grains for 1961.

The message also announced that the Senate insists on its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. JOHNSTON, Mr. HOLLAND, Mr. TALMADGE, Mr. AIKEN, Mr. YOUNG of North Dakota, and Mr. HICKENLOOPER to be the conferees on the part of the Senate.

REV. CLARENCE W. CRANFORD

The SPEAKER. The gentleman from Arkansas [Mr. HARRIS] is recognized for 1 minute.

Mr. HARRIS. Mr. Speaker, our guest chaplain today, Dr. Clarence W. Cranford, is no stranger to us. He has been with us on several occasions. I know I express the sentiment of every Member of the House when I say we are glad to have him with us again.

However, I regret to announce that we may well not have the benefit of his visit and service in the future, not soon anyway, for he is leaving us.

After almost 20 years as pastor of Calvary Baptist Church, "Crannie", as we affectionately refer to him, has resigned to accept a call of a church in Lewiston, Maine.

I am sure his leaving Calvary is not as it was with the story I heard of the pastor of a church being called to another church where the salary was substantially more. A neighbor came by and asked the little boy if his father was going to leave and accept the pastorate of the other church. The little boy replied that he did not know; his daddy was in the study praying over it, but his mother was upstairs packing.

Nevertheless, "Crannie" did feel the call to another church, and I am confident that God directed his decision. I am sure it was divine guidance with a purpose.

Washington, the Nation's Capital, has been blessed with many outstanding Protestant ministers. In recent years, there was Dr. Peter Marshall, pastor of the New York Avenue Presbyterian Church, Chaplain of the Senate, and called to his reward a few years ago.

There is Dr. Frederick Brown Harris, for many years pastor of the Foundry Methodist Church and now Chaplain of the Senate.

The First Baptist Church has Dr. Pruden, for many years pastor of this oldest Baptist Church in our community.

We have our own Chaplain, Dr. Braskamp, for many years pastor of Gunton-Temple Memorial Presbyterian Church, and now emeritus.

And Dr. Cranford, who has also provided outstanding leadership in the Christian ministry in this city.

Calvary Baptist Church is a downtown church at 8th and H Streets NW. It is one of the oldest Protestant churches in the Nation's Capital, established through a gift from Mr. Kendal, Postmaster General under President Jackson and later under President Van Buren. It celebrates its centennial anniversary next year. It is strategically located in the center of this city to provide an outstanding, wonderful, and needed ministry.

During the 100 years of its existence, Calvary has actually had only three pastors. The first years of its life, there were the usual experiences of most churches, and finally Dr. Green came along and was its pastor for many, many years. Then Dr. Abernathy pastored the church during the early part of the century and until 1940.

In early 1941, Dr. Cranford became the pastor and has provided superb lead-

ership and performed magnificently the wonderful work in the heart of our Nation's Capital.

During these almost 20 years, I have had the privilege of trying to follow his Christian leadership. I have sat at his feet, so to speak. He has meant a lot to me, as he has to literally thousands of people during these years.

He is a man of God if ever I knew one, and I have, I think, known a great many.

"Crannie" is leaving us Wednesday. I will miss him, as indeed will my family and so many others. We wish for him and his family in his new ministry the continued blessings of God, good health, joy, and happiness.

COMMITTEE ON RULES

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

FEED PROGRAM FOR 1961

Mr. POAGE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 4510) to provide a special program for feed grains for 1961, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. COOLEY, POAGE, JONES of Missouri, HOEVEN, and QUIE.

EXTENDING SUGAR ACT OF 1948, AS AMENDED

Mr. POAGE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on the bill (H.R. 5463) to extend the Sugar Act of 1948, as amended.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SUBCOMMITTEE ON EDUCATION OF THE COMMITTEE ON EDUCATION AND LABOR

Mr. O'HARA of Michigan. Mr. Speaker, I ask unanimous consent that the General Subcommittee on Education of the Committee on Education and

Labor be permitted to sit during general debate this afternoon for the purpose of taking testimony.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. HALLECK asked and was given permission to address the House for 1 minute.)

Mr. HALLECK. Mr. Speaker, I understand there is some change in the program for tomorrow. Could the gentleman from Massachusetts tell us something about that?

Mr. McCORMACK. I will be very happy to. I understand the Committee on Rules has reported out three rules, one relating to restoring the rank to former President Eisenhower, the other, H.R. 3908, the food additives bill, and the other one, H.R. 1163, loan guarantee authority under the Interstate Commerce Act.

As to the military construction bill, they are hopeful that they will get a rule tomorrow. If so, I will bring it up Wednesday.

My intention is to bring these three bills up, if rules are reported out today or tomorrow, to wit: H.R. 5174, the bill relating to President Eisenhower; H.R. 3980, the food additives bill; and H.R. 1163, the loan guarantee authority bill.

MALICIOUS PROPAGANDA

(Mr. HECHLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HECHLER. Mr. Speaker, the desks of many Members of the House of Representatives have been flooded for the past few weeks by a great deal of junk mail which maliciously and unfairly reflects on the integrity of our great Chief Justice of the United States, Earl Warren. I would like to know who is paying for all of these mimeographed and duplicated letters and cards that come to all of us, not from our districts but from other States, apparently. They have a perfect right to express their opinions, but at a time when we are short of clerk hire to handle our regular mail, I just would like to have someone in the press investigate who is paying for all of this junk mail which reflects on the integrity of a great Chief Justice, Earl Warren.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HECHLER. Gladly.

Mr. GROSS. They are helping the postal receipts, are they not?

Mr. HECHLER. Well, I suppose so. I thank the gentleman for his cogent observation.

DISCHARGE OF COMMITTEE

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent that the Committee on Public Works be discharged from the

further consideration of Executive Order No. 472, a letter from the Assistant Secretary of the Interior transmitting a draft of proposed legislation entitled "A bill to amend the Bonneville Project Act as amended," and that the executive communication be re-referred to the Committee on Interior and Insular Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. SCHWENGEL. Mr. Speaker, reserving the right to object, I would like to have the gentleman from Minnesota explain his statement. I did not follow his request.

Mr. BLATNIK. This is merely a request to transfer an executive communication from the Department of the Interior, which was submitted to our Committee on Public Works. It deals with the Bonneville Power Administration, and the subject matter deals entirely with financing; a revolving fund. In consulting with the minority and with the chairman of the Committee on Interior and Insular Affairs, the gentleman from New York [Mr. BUCKLEY], agreed that the Committee on Public Works was interested in the construction phase but not financing, which very properly belonged under Interior and Insular Affairs.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from Colorado.

Mr. ASPINALL. Three of these executive communications came up from downtown at the same time. Two of them came to our committee, and this one went to the other committee. It so happens that the Committee on Interior and Insular Affairs has jurisdiction of marketing procedures. That is the difference. It is merely a formality.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

NIKE-ZEUS ANTIMISSILE MISSILE

(Mr. FLOOD asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include two letters.)

Mr. FLOOD. Mr. Speaker, in connection with the military appropriations program I have been concerned with the need for funds to begin advance procurement for long-lead hardware for the Nike-Zeus, the Army's antimissile missile. In view of the fact that we are in between budgets I felt it necessary to send a letter to the President setting forth and urging that in requests coming up for the new military budget there is included funds for the Army's antimissile missile, Nike-Zeus. I have received from the White House over the signature of Mr. Lawrence O'Brien, special assistant to the President, in answer to my letter.

I include as part of my remarks both letters.

The matter referred to is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 22, 1961.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: Sharing your deep, personal concern regarding the manifold aspects of our national security, I send to you this copy of the remarkable series of articles concerning America's anti-missile-missile weapons system, the Nike-Zeus, which appeared in the January 30, 1960, issue of the authoritative technical journal, *Missiles and Rockets* magazine.

This series, in my experience, represents the most thorough and comprehensive analysis of a major weapons system presented in public print during these recent years of revolutionary progress in science and technology. I have this day sent a copy to every Member of the House of Representatives.

On February 13, in an address to the House, a copy of which I enclose, I expressed the view that this Nation needs, and must have as soon as possible, an active defense against incoming intercontinental and submarine-launched ballistic missiles.

I urged that we begin immediate production of the U.S. Army Nike-Zeus anti-missile missile, America's single weapons system specifically designed to counter the threat of a Red-triggered nuclear hailstorm.

Mr. President, you will recall that as early as 1959 Congress perceived the critical need for this action and appropriated \$137 million to initiate production of the first batteries of Zeus killer-missiles. The previous administration failed to act.

In this day of surging breakthroughs in the areas of sophisticated weapons systems, the United States cannot afford the loss of a month of critical leadtime. To date, we have lost more than a year of Zeus production.

Meantime, intelligence reports reveal that Soviet Russia is laboring at highest priority and with maximum resources to be first in fielding an antiballistic missile weapon shield for centers of population, of industry, and of military might.

If the Communists succeed in outpacing this Nation, if they are the first to establish the highly effective, specialized defense which neutralizes ballistic projectiles, they will seize from the United States her present power to retaliate in self-defense against mass missile attack.

America would sit naked, nuclear weak in the diplomatic councils of this world.

At this crucial juncture of time and events, Mr. President, it is my hope and trust that you will find the enclosed article series of significant value in your contemplation of the moves this Nation must make into the new frontiers of national and world security.

I profess to you, with all intensity at my command, the belief that the American people—and citizens throughout the nations of the free world—would hale a dramatic decision by this administration to loose the Zeus, to put it into immediate production, to hasten the day when United States and allied forces at last can stand armed and ready with the ballistic boxing gloves so desperately needed for defense against the ceaseless threat of Communist worldwide nuclear aggression.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

THE WHITE HOUSE

Washington, March 2, 1961.

HON. DANIEL J. FLOOD,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: In further reference to your letter of February 22 the President

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

Issued March 21, 1961

For actions of March 20, 1961

87th-1st, No. 48

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HIGHLIGHTS: House received conference report on feed grains bill. House committee voted to report bill to provide additional authorization for Public Law 480. House received agriculture budget amendments. Senate passed bill to modify restriction on farm operating loans. Senate received nominations for CCC Board of Directors.

HOUSE

1. **FEED GRAINS.** Received the conference report on H. R. 4510, to provide a special feed grains program for 1961 (H. Rept. 170) (pp. 4041-3). The report contains a statement of explanation of the effect of the action agreed upon by the conferees as follows:

"***The level of price support for the 1961 crop of corn will be established by the Secretary 'at such level not less than 65 per centum of the parity price therefore as the Secretary may determine' but the committee of conference understands that pursuant to this authority the support level for corn for the 1961 crop will be \$1.20 per bushel.

"The House bill required that soybean producers and producers of such other oilseed crops as might be designated by the Secretary would have to participate in the corn and grain sorghum acreage reduction program in order to be eligible for price supports on soybeans or such other designated oilseed crops. The conference substitute omits this requirement.

"(5) If additional amounts of sugar are needed, purchases may be made from any other foreign nation without regard to allocations, but with consideration given to countries of the Western Hemisphere and to those countries purchasing U. S. agricultural commodities.

"The bill continues the President's present authority to obtain refined sugar if raw sugar is not reasonably available."

The committee report includes the following statement regarding later enactment of more permanent sugar legislation:

"Amendments to the basic Sugar Act will be thoroughly considered in open hearings on the enactment of more permanent sugar legislation, which the chairman has stated will be scheduled as early as possible in May. At these hearings those interested in the various aspects of the Sugar Act will be given an opportunity to appear before the committee and express their points of view and the committee itself will have full opportunity to integrate the various proposals into the act as a whole and reach a mature and informed decision on an amendment and extension of the act which will best serve the national interest."

4. FOREIGN CURRENCIES. Received from the Merchant Marine and Fisheries and Education and Labor Committees reports on the expenditures of foreign currencies in connection with foreign travel by Members and employees of the committees. pp. 4051-2

5. LEGISLATIVE PROGRAM. Rep. McCormack announced that the following items are scheduled for today, Mar. 21: Conference report on the feed grains bill, consideration of the sugar bill under motion to suspend the rules, and the call of the Consent and Private Calendars. p. 4041

SENATE

6. FARM LOANS. Passed without amendment H. R. 1822, to increase from 10 to 25 percent the portion of the annual appropriation for Farmers Home Administration operating loans that may be used for loans to borrowers whose operating loan indebtedness would exceed \$10,000. This bill will now be sent to the President. p. 4031

7. RESEARCH; FOOD INSPECTION. Passed as reported S. 1028, to amend the Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959 so as to authorize the Secretary of Agriculture to extend beyond March 5, 1961, the effective date of the registration and enforcement provisions of the Federal Insecticide, Fungicide, and Rodenticide Act with respect to nematocides, plant regulators, defoliants, and desiccants. pp. 4031-2

8. NOMINATIONS. Received the nominations of Charles S. Murphy, John P. Duncan, Frank J. Welch, James T. Ralph, Horace Godfrey, and Willard Cochrane to be members of the CCC Board of Directors. p. 4040

9. PEACE CORPS. Sen. Young, O., commended the President's action establishing a Peace Corps, stating that it "embodies the spirit that moved this country to greatness." p. 4034

10. RECLAMATION. The Irrigation and Reclamation Subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee with amendments, S. 107, to authorize construction of the Navajo Indian irrigation project and

1961 FEED GRAIN PROGRAM

MARCH 17, 1961.—Ordered to be printed

Mr. COOLEY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 4510]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4510) to provide a special program for feed grains for 1961 having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection:

“(c) Notwithstanding any other provision of law—

“(1) The level of price support for the 1961 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn and grain sorghums shall be made available on not to exceed the normal production of the 1961 acreage of corn and grain sorghums of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

“(2) The Secretary shall require as a condition of eligibility for price support on the 1961 crop of corn, grain sorghums, and any other feed grain which he may designate that the producer shall participate in the special agricultural conservation program for 1961 for corn and grain sorghums to the extent prescribed by the Secretary.”

SEC. 2. Section 16 of the Soil Conservation and Domestic Allotment

Act, as amended, is amended by adding the following new subsection:

“(c) Notwithstanding any other provision of law—

“(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1961, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums to an approved conservation use and increase their average acreage devoted in 1959 and 1960 to designated soil conserving crops or practices by an equal amount: *Provided, however, That any producer may elect in lieu of such payment to devote such diverted acreage to castor beans, safflower, sunflower, or sesame, if designated by the Secretary.* Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn and grain sorghums in the crop years 1959 and 1960 or up to twenty acres, whichever is greater. Such payments in cash or in kind at the basic county support rate may be made on an amount of corn and grain sorghums not in excess of 50 per centum of the normal production of the acreage diverted from corn and grain sorghums on the farm based on its average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 20 per centum of such corn and grain sorghum acreage. Payments in kind on such additional acreage may be made at the basic county support rate on an amount of corn and grain sorghums not in excess of 60 per centum of the normal production of the acreage diverted from corn and grain sorghums on the farm based on its average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, and topography. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

“(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(c). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1961, and to pay such costs as may be included in carrying out section 3 of the Act which added this subsection to this Act.

“(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.”

SEC. 3. Payments in kind shall be made through the issuance of nego-

liable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the 1961 Feed Grain Program authorized by this Act. In the case of any certificate not presented for redemption within 30 days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning 30 days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

SEC. 4. Not later than 90 days after the effective date of this Act the Secretary shall submit to the Congress a detailed report, including estimates where final figures are not available, setting forth but not limited to the number and percent of cooperators under this Act, the acreage retired from production by States, the cash payments made, the quantity and kind of feed grains made available under the payment-in-kind provisions of the Act and the value thereof, the overall cost of the program, the estimated savings compared with the program in effect before this Act became effective, and such other information as will indicate the progress, cost, and reduction of surpluses under this Act.

And the Senate agree to the same.

HAROLD D. COOLEY,
W. R. POAGE,
PAUL C. JONES,

Managers on the Part of the House.

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
HERMAN E. TALMADGE,
MILTON R. YOUNG,

Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4510) to provide a special feed grains program for 1961 submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The amendment of the Senate struck out all after the enacting clause of H.R. 4510 and inserted the language of a similar Senate bill (S. 993) as passed by the Senate. The conference has agreed on a substitute to the Senate amendment which follows in general the language of the House bill with the exception of the changes noted below. Other than technical changes, the differences between the bill as passed by the House and the substitute agreed to by the conferees are as follows:

SECTION 1

This retains the language of the House bill with some modifications. The level of price support for the 1961 crop of corn will be established by the Secretary "at such level not less than 65 per centum of the parity price therefore as the Secretary may determine" but the committee of conference understands that pursuant to this authority the support level for corn for the 1961 crop will be \$1.20 per bushel.

The House bill required that soybean producers and producers of such other oilseed crops as might be designated by the Secretary would have to participate in the corn and grain sorghum acreage reduction program in order to be eligible for price supports on soybeans or such other designated oilseed crops. The conference substitute omits this requirement.

SECTION 2

Section 2 follows in general the language of the House bill. It authorizes the Secretary of Agriculture to formulate and carry out a special agricultural conservation program for corn and grain sorghums for 1961 and requires that an acreage equivalent to 20 percent of the average acreage on the farm of these two crops in the years 1959 and 1960 must be retired under the special conservation program in order for the producer to be eligible for price supports on corn or grain sorghums. An additional 20 percent may be retired at the producer's option. It requires that a corresponding increase must be made in the average acreage devoted in 1959 and 1960 to soil-conserving crops and practices and it is the understanding of the conference committee that the certification of the producer with respect to this acreage may be accepted as evidence of compliance.

The House bill contained the provision that any producer participating in the corn and grain sorghum acreage retirement program might elect, in lieu of any payment for such land retirement, to grow

on the diverted acreage any crop not in surplus, not eligible for price supports, and not produced principally for livestock feed which might be designated by the Secretary. This provision has caused so much misunderstanding that the committee of conference has substituted for it a listing of the specific crops which may be designated by the Secretary. They are castor beans, sunflower, safflower, and sesame. The Secretary will designate which, if any, of these crops may be grown on diverted acreage.

Paragraph 2 of the committee substitute combines the provisions contained in paragraphs 2 and 3 of section 2 of the House bill. The authority for financing the program is virtually the same as that in the House bill except that the specific authorization for expenditure of \$500 million for payments in cash in advance of appropriations is eliminated and the language makes it clear that CCC may pay the cost involved in carrying out the provisions of section 3 of the conference substitute.

Paragraph 3 of section 2 contains the Senate provision for a sharing of payments among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

SECTION 3

Section 3 of the bill as passed by the House, which was its most controversial section, was modified and rewritten by the conference committee. The effect of this is to change the language and the procedures of section 3 but to leave to the Secretary the power to encourage participation in the program by releasing into the market the amount of feed grains represented by the certificates issued as payment in kind under the program authorized by the legislation. Under section 3 as passed by the House, the Commodity Credit Corporation would have been authorized to sell feed grains during the 1961 marketing year in unlimited quantities at prices not less than 17 percent below the 1961 support price, or about \$1 per bushel for corn and a comparable price for grain sorghums. The new language of section 3 requires all certificates representing payments in kind to be redeemed for feed grains but a producer-certificate holder not desiring to take feed grains may obtain the assistance of the Commodity Credit Corporation in the marketing of his certificates for cash. The new language, however, gives the Secretary discretion as to when such certificates would be sold in order that the Secretary may have a measure of control over the rapidity with which the certificates may be placed on the market. The Secretary would be authorized, as a means of providing adequate assistance to producers in the marketing of their certificates, to direct the Commodity Credit Corporation to make an advance on the certificate to the producer. The Commodity Credit Corporation would then be reimbursed for such advance from the sale proceeds of the certificates. In this way, the Secretary would not be required, when he deemed such action contrary to the best interests of the program, to permit an undue quantity of grain to be put on the market. If a certificate is not presented for redemption within 30 days of its issuance reasonable storage and other charges as determined by the Secretary, beginning 30 days after issuance of the certificate and ending with its presentation for redemption, would be deducted from the value of the certificate. However, if the Depart-

ment elected to hold producers' certificates off the market longer than 30 days after their issuance, producers would not have to bear storage and other charges, since the time of the marketing of the certificates would not be within their control, but would be wholly within the control of the Department. Under the language of section 3 the Secretary is required to deduct only such storage and other charges as he determines to be reasonable and this would give him ample authority to relieve the producer of storage and other charges under these circumstances.

SECTION 4

Section 4 of the conference substitute adds language which was not in the House bill. It provides that the Secretary shall submit to Congress, within 90 days after the effective date of this act, a detailed report on the progress, cost, and reduction of surpluses under the program, and other relevant information.

HAROLD D. COOLEY,
W. R. POAGE,
PAUL C. JONES,

Managers on the Part of the House.

○

House of Representatives

MONDAY, MARCH 20, 1961

The House met at 12 o'clock noon.

Rabbi Israel Gerstein, Passaic Park Jewish Center, Passaic, N.J., offered the following prayer:

Our gracious Father in heaven, for the privilege of witnessing another spring we thank Thee, and for the faith that it inspires in us that the world is not old and worn, headed for decline and oblivion, but that under Thy kind providence it is undergoing perpetual rebirth and renewal, and that the most glorious chapters of man's life are in the days ahead.

May this season of renewal move these chosen spokesmen of the people to renew their fervor and rekindle their sense of mission so that they will labor ever more zealously for a world in which hurts will be healed, hopes sustained, the weak and the worn assisted, human dignity and decency upheld, the blight of war and the specter of annihilation banished, and peace in freedom prevail among all Thy children everywhere, with none to make them afraid.

We praise Thee for the services of one of our consecrated colleagues who has been recalled to Thee. Send the healing balm of Thy consolation to the members of his family, and may his memory ever inspire us to noble living. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, March 16, 1961, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 5075. An act to provide temporary extended railroad unemployment insurance benefits, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4806. An act to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR, Mr. LONG of Louisiana, Mr. SMATHERS, Mr. WILLIAMS of Delaware, and Mr. CARLSON to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1116. An act to authorize the sale, without regard to the 6-month waiting period prescribed, of certain calcines and matte proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act.

LEGISLATIVE PROGRAM

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order under the rules today may be in order on tomorrow.

Mr. ROGERS of Texas. Mr. Speaker, reserving the right to object, may I ask the majority leader if that includes the sugar bill?

Mr. McCORMACK. Yes.

Mr. ROGERS of Texas. Mr. Speaker, I regret that I am in the position that I have been put in. We have been refused the right to be heard before the Committee on Agriculture on this bill. The Committee on Rules has been circumvented on it. It places me in the position where I have no choice except to object.

Mr. McCORMACK. Mr. Speaker, will the gentleman reserve the right to object?

Mr. ROGERS of Texas. Yes.

Mr. McCORMACK. That presents the leadership with this problem. When a sitting Member dies, the House always adjourns out of respect for that Member.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I am glad to yield to the gentleman.

Mr. HALLECK. I do not know who has the floor, whether the gentleman from Massachusetts or the gentleman from Texas, under the reservation, but the Speaker called me this morning, as was perfectly proper, and spoke to me about having these matters go over until tomorrow. The gentleman from Texas knows that one of our most esteemed and respected Members has passed away. For a long time it has been the custom for the House of Representatives to adjourn out of respect to the memory of a departed colleague. That is what is being proposed at this time. I do not know what may transpire, if the gentleman insists on this objection. It might be that the majority leadership might find it necessary to see fit to go ahead with the business today.

I am sure the gentleman from Texas would not want that to happen.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield.

Mr. McCORMACK. May I say if the gentleman insists on his objection I shall offer a motion to suspend the rules and

make in order on tomorrow the business under the rules today.

Mr. HALLECK. Frankly, I would vote for that motion, but again I do not think even that sort of action should be had on the floor ahead of the things that will be said about the life and character of our departed colleague.

So I respectfully ask the gentleman to withdraw his reservation of objection.

Mr. ROGERS of Texas. No one regrets the position I have been placed in more than the gentleman from Texas. I realize the situation with which we are faced today, but the matter that I am addressing myself to is a matter that could have been brought up before the Rules Committee. It could have had hearings in the Committee on Agriculture. We were denied a hearing in both committees. However, in view of the situation that has developed out of respect to my good friend, CARROLL REECE, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

SPECIAL ORDERS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the special orders heretofore entered for today be transferred to tomorrow and be put at the head of the list.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RULES COMMITTEE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FEED-GRAINS PROGRAM

Mr. COOLEY submitted the following conference report and statement:

CONFERENCE REPORT (H. REPT. No. 170)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4510) to provide a special program for feed grains for 1961 having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 105 of the Agri-

cultural Act of 1949, as amended, is amended by adding the following new subsection:

"(c) Notwithstanding any other provision of law—

"(1) The level of price support for the 1961 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn and grain sorghums shall be made available on not to exceed the normal production of the 1961 acreage of corn and grain sorghums of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

"(2) The Secretary shall require as a condition of eligibility for price support on the 1961 crop of corn, grain sorghums, and any other feed grain which he may designate that the producer shall participate in the special agricultural conservation program for 1961 for corn and grain sorghums to the extent prescribed by the Secretary."

"SEC. 2. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(c) Notwithstanding any other provision of law—

"(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1961, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums to an approved conservation use and increase their average acreage devoted in 1959 and 1960 to designated soil conserving crops or practices by an equal amount: *Provided, however,* That any producer may elect in lieu of such payment to devote such diverted acreage to castor beans, safflower, sunflower, or sesame, if designated by the Secretary. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn and grain sorghums in the crop years 1959 and 1960 or up to twenty acres, whichever is greater. Such payments in cash or in kind at the basic county support rate may be made on an amount of corn and grain sorghums not in excess of 50 per centum of the normal production of the acreage diverted from corn and grain sorghums on the farm based on its average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 20 per centum of such corn and grain sorghum acreage. Payments in kind on such additional acreage may be made at the basic county support rate on an amount of corn and grain sorghums not in excess of 60 per centum of the normal production of the acreage diverted from corn and grain sorghums on the farm based on its average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, and topography. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

"(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(c). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1961, and to pay such costs as may be included in carrying out section 3 of the Act which added this subsection to this Act.

"(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts."

"SEC. 3. Payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the 1961 Feed Grain Program authorized by this Act. In the case of any certificate not presented for redemption within 30 days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning 30 days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

"SEC. 4. Not later than 90 days after the effective date of this Act the Secretary shall submit to the Congress a detailed report, including estimates where final figures are not available, setting forth but not limited to the number and percent of cooperators under this Act, the acreage retired from production by States, the cash payments made, the quantity and kind of feed grains made available under the payment-in-kind provisions of the Act and the value thereof, the overall cost of the program, the estimated savings compared with the program in effect before this Act became effective, and such other information as will indicate the progress, cost, and reduction of surpluses under this Act."

And the Senate agree to the same.

HAROLD D. COOLEY,
W. R. POAGE,
PAUL C. JONES,

Managers on the Part of the House.

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
HERMAN E. TALMADGE,
MILTON R. YOUNG,

Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4510) to provide a special feed grains program for 1961 submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The amendment of the Senate struck out all after the enacting clause of H.R. 4510 and inserted the language of a similar Senate bill (S. 993) as passed by the Senate. The conference has agreed on a substitute to the Senate amendment which follows in general the language of the House bill with the exception of the changes noted below. Other than technical changes, the differences between the bill as passed by the House and the substitute agreed to by the conferees are as follows:

SECTION 1

This retains the language of the House bill with some modifications. The level of price support for the 1961 crop of corn will be established by the Secretary "at such level not less than 65 per centum of the parity price therefore as the Secretary may determine" but the committee of conference understands that pursuant to this authority the support level for corn for the 1961 crop will be \$1.20 per bushel.

The House bill required that soybean producers and producers of such other oilseed crops as might be designated by the Secretary would have to participate in the corn and grain sorghum acreage reduction program in order to be eligible for price supports on soybeans or such other designated oilseed crops. The conference substitute omits this requirement.

SECTION 2

Section 2 follows in general the language of the House bill. It authorizes the Secretary of Agriculture to formulate and carry out a special agricultural conservation program for corn and grain sorghums for 1961 and requires that an acreage equivalent to 20 per cent of the average acreage on the farm of these two crops in the years 1959 and 1960 must be retired under the special conservation program in order for the producer to be eligible for price supports on corn or grain sorghums. An additional 20 per cent may be retired at the producer's option. It requires that a corresponding increase must be made in the average acreage devoted in 1959 and 1960 to soil-conserving crops and practices and it is the understanding of the conference committee that the certification of the producer with respect to this acreage may be accepted as evidence of compliance.

The House bill contained the provision that any producer participating in the corn and grain sorghum acreage retirement program might elect, in lieu of any payment for such land retirement, to grow on the diverted acreage any crop not in surplus, not eligible for price supports, and not produced principally for livestock feed which might be designated by the Secretary. This provision has caused so much misunderstanding that the committee of conference has substituted for it a listing of the specific crops which may be designated by the Secretary. They are castor beans, sunflower, safflower, and sesame. The Secretary will designate which, if any, of these crops may be grown on diverted acreage.

Paragraph 2 of the committee substitute combines the provisions contained in paragraphs 2 and 3 of section 2 of the House bill. The authority for financing the program is virtually the same as that in the House bill except that the specific authorization for expenditure of \$500 million for payments in cash in advance of appropriations is eliminated and the language makes it clear that CCC may pay the cost involved in carrying out the provisions of section 3 of the conference substitute.

Paragraph 3 of section 2 contains the Senate provision for a sharing of payments among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

SECTION 3

Section 3 of the bill as passed by the House, which was its most controversial section, was modified and rewritten by the conference committee. The effect of this is to change the language and the procedures of section 3 but to leave to the Secretary the power to encourage participation in the program by releasing into the market the amount of feed grains represented by the certificates issued as payment in kind under the program authorized by the legislation. Under section 3 as passed by the House, the

Commodity Credit Corporation would have been authorized to sell feed grains during the 1961 marketing year in unlimited quantities at prices not less than 17 percent below the 1961 support price, or about \$1 per bushel for corn and a comparable price for grain sorghums. The new language of section 3 requires all certificates representing payments in kind to be redeemed for feed grains but a producer-certificate holder not desiring to take feed grains may obtain the assistance of the Commodity Credit Corporation in the marketing of his certificates for cash. The new language, however, gives the Secretary discretion as to when such certificates would be sold in order that the Secretary may have a measure of control over the rapidity with which the certificates may be placed on the market. The Secretary would be authorized, as a means of providing adequate assistance to producers in the marketing of their certificates, to direct the Commodity Credit Corporation to make an advance on the certificate to the producer. The Commodity Credit Corporation would then be reimbursed for such advance from the sale proceeds of the certificates. In this way, the Secretary would not be required, when he deemed such action contrary to the best interests of the program, to permit an undue quantity of grain to be put on the market. If a certificate is not presented for redemption within 30 days of its issuance reasonable storage and other charges as determined by the Secretary, beginning 30 days after issuance of the certificate and ending with its presentation for redemption, would be deducted from the value of the certificate. However, if the Department elected to hold producers' certificates off the market longer than 30 days after their issuance, producers would not have to bear storage and other charges, since the time of the marketing of the certificates would not be within their control, but would be wholly within the control of the Department. Under the language of section 3 the Secretary is required to deduct only such storage and other charges as he determines to be reasonable and this would give him ample authority to relieve the producer of storage and other charges under these circumstances.

SECTION 4

Section 4 of the conference substitute adds language which was not in the House bill. It provides that the Secretary shall submit to Congress, within 90 days after the effective date of this act, a detailed report on the progress, cost, and reduction of surpluses under the program, and other relevant information.

HAROLD D. COOLEY,
W. R. POAGE,
PAUL C. JONES,

Managers on the Part of the House.

GENERAL LEAVE TO EXTEND
REMARKS

Mr. McCORMACK. Mr. Speaker, without establishing a precedent, I ask unanimous consent that all Members who may desire to do so may be permitted to extend their remarks in the Appendix of the RECORD and include therewith extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the

following title, which was thereupon signed by the Speaker:

H.R. 5075. An act to provide temporary extended railroad unemployment insurance benefits, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 451. An act to authorize the distribution of copies of the CONGRESSIONAL RECORD to former Members of Congress requesting such copies.

BILL PRESENTED TO THE
PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 5075. To provide temporary extended railroad unemployment insurance benefits, and for other purposes.

THE LATE HONORABLE B. CARROLL
REECE

The SPEAKER. The Chair recognizes the gentleman from Tennessee [Mr. BAKER].

Mr. BAKER. Mr. Speaker, it is with deep sadness and profound sorrow that I inform the House that our beloved colleague, CARROLL REECE, departed this life on yesterday, Sunday, March 19, 1961, at 7 a.m.

BRAZILLA CARROLL REECE was born at Butler, Tenn., December 22, 1889, and was reared on a farm in a big family. His initial education began in the public schools and Carson Newman College of Tennessee, and was continued in New York University and the University of London. He holds honorary degrees from a number of institutions of higher learning, including Cumberland University, Tusculum College, and Lincoln Memorial University.

He was first elected to the 67th Congress and was its youngest Member. He was subsequently elected to the 68th, 69th, 70th, 71st, 73d, 74th, 75th, 76th, 77th, 78th, and 79th Congresses, when he retired from Congress to serve as chairman of the Republican National Committee. After relinquishing his post as national chairman, he was elected to the 82d, 83d, 84th, 85th, 86th, and 87th Congresses, in all of which sessions he served with loyalty and untiring zeal.

He served his country with honor and gallantry in World War I, being decorated with the Distinguished Service Cross, Distinguished Service Medal, Purple Heart, Croix de Guerre with Palm, and cited for bravery by Marshal Petain, General Pershing, General Edwards, General Hale, and Colonel Lewis.

CARROLL REECE's life was filled with achievements in public service, and he served with marked distinction in many other fields as a humanitarian and industrialist.

In recent years he has been a member of the Rules Committee of the House.

At the time of his passing he was Republican national committeeman and

State chairman of the Republican Party in Tennessee.

CARROLL had a heart of gold, filled with understanding, wit, and humor. He will long be remembered and his memory cherished by each of us.

He married Louise Despard Goff, whose father and grandfather served in the U.S. Senate. His only daughter, Louise, is married to Col. George W. Marthens of the U.S. Air Force. They have four children. CARROLL REECE was a devoted husband, father, grandfather.

I know that each of you join in extending to Mrs. Reece and the daughter, Louise, and all members of his family, our deepest sympathy in their great loss in which we share.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. BAKER. I yield to the distinguished minority leader.

Mr. HALLECK. Mr. Speaker, the death of B. CARROLL REECE has taken from the congressional scene a man of truly remarkable character.

The story of his achievements may well serve as an inspiration for future generations of Americans.

Certainly few men it has been my privilege to know have made more of their God-given talents than did CARROLL REECE.

Early in life the bulldog tenacity that was so characteristic, was reflected in CARROLL's determination to get for himself a fine education in spite of financial handicaps.

The tremendous personal courage we associate with our departed colleague was reflected in his magnificent combat record during World War I.

The keenness of his intellect was reflected in the success he enjoyed as a lawyer, banker, journalist, and legislator.

My friendship with CARROLL REECE goes back to my earliest days in this body.

I came to know him well as a fellow member of the great Committee on Interstate and Foreign Commerce, on which we both served some 20 years ago.

Later, we worked together in the cause of the Republican Party, he as chairman of the national committee and I as chairman of the congressional committee.

As has been reported, it was under CARROLL's leadership that we won control of the 80th Congress, a further testimonial to his energy and genius.

CARROLL REECE was an honest conservative who believed wholeheartedly in the virtues that have made this the great country it is today.

His career was a personification of the success story that is still the birthright of every American willing to meet the challenges of life with courage and determination.

I feel a deep sense of personal loss in the death of this wonderful friend.

In offering my heartfelt sympathy to his family, I hope they may find some consolation in their bereavement from the distinguished record of service CARROLL REECE performed for his party, his district, and his native land.

He will be sorely missed by all of us.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BAKER. I yield to the distinguished majority leader.

Mr. McCORMACK. Mr. Speaker, the death of CARROLL REECE is a sad loss to the House and to his countless friends and admirers everywhere. He was profoundly respected for the fine qualities he possessed.

CARROLL REECE was an outstanding and dedicated legislator; he was a great Congressman, a man of firm convictions and of intellectual honesty. He courageously served his district, his State, and the Nation in this body in accordance with his judgment and his conscience. He served the people of his district in a manner that reflected great credit upon them.

We shall miss CARROLL REECE very much.

To Mrs. Reece and her daughter and their loved ones I extend my deep sympathy in their great loss and sorrow.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, it is with infinite sadness I join in these services for a great American, B. CARROLL REECE, whose friendship I have been privileged to enjoy for 40 years.

CARROLL REECE won distinction as a dedicated, courageous, and able American leader in many fields of activity.

As a young man, he joined the American Expeditionary Forces in France in World War I. From the hills of Tennessee, which have contributed many talented persons to the Nation, he went into action with the 26th Division, the so-called Yankee Division, which was composed of troops largely from New England. When the war was most intense, he commanded the 3d Battalion of the 102d Regiment, which was a part of the Yankee Division. He was a young lieutenant who had risen from the ranks. Among the high general officers who cited Lieutenant REECE for bravery was Gen. Clarence R. Edwards, who commanded the 26th Division and who was known affectionately to his troops as "Daddy" Edwards.

CARROLL's charm, persuasiveness, courage, and resourceful leadership won him the admiration and lasting respect of his soldier comrades from New England.

In the field of politics, through his talent, and ability, he climbed the ladder until he was Republican national chairman in 1946. He was the inspiring leader of that campaign. I can never forget his efforts because they resulted in the election of the first Republican Congress since 1928, and my selection as Speaker of the House in the 80th Congress.

That campaign, fought as it was with very limited funds, marked the beginning of a new era in American political life. This campaign was but one instance of CARROLL's contribution to the Republican Party. He long served as the Republican leader of Tennessee and as its member of the national committee.

He was an outstanding Member of the Congress and contributed greatly to

our legislative deliberations. He was first elected to Congress in 1920 and that service was interrupted on only two occasions; first by a party division in 1930 and again upon his election as Republican national chairman, he retired for 2 years.

Long interested in the veterans of our country, he was the author of the legislation which created the veterans' committee of the House. He was an early advocate of the establishment of the Army Air Corps and he served with great ability in wrestling with national problems as a member of the Interstate and Foreign Commerce Committee, foreign affairs, and armed services. At his death, he was a member of the Rules Committee.

He was a conservative in politics and yet he had the vision to embrace whatever policies he thought would be helpful to the Nation. To him, what he believed to be best for America came first. In the field of business, CARROLL made notable contributions as a publisher, as a banker and businessman.

He was married to Louise Goff, daughter of Senator Guy Goff of West Virginia and granddaughter of Nathan Goff, Secretary of the Navy in the Harrison Cabinet. His devoted wife, intensely interested in the political life of the country, was a wise counselor and constant co-worker in all his endeavors.

The death of CARROLL REECE is a distinct loss to the Congress, his State of Tennessee and the Nation. He contributed greatly to the enrichment of American life and we are all better off for his able service.

Although he has departed from this life, his works and deeds will long linger in the memories of his associates in Congress; his comrades in arms; and the people of the State he loved and served so well.

Personally, his death comes as the loss of one of my closest and most beloved friends.

To his good wife and family, I join with all of you in extending my deepest sorrow in this hour of their bereavement.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. DAVIS], the dean of the Tennessee delegation.

Mr. DAVIS of Tennessee. Mr. Speaker, many of us knew that CARROLL REECE was dangerously ill, but none of us was prepared for his sudden passing. His district has lost a splendid representative; this House an outstanding legislator, and the country a very useful citizen. He was highly respected and esteemed in the State of Tennessee. Each member of the Tennessee delegation has lost a warm personal friend.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN. Mr. Speaker, it is with a heavy and a very sad heart I rise to join in the tributes being paid to my old friend and beloved colleague, CARROLL REECE. I knew, of course, of the seriousness of his illness. CARROLL knew, too, because he told me so. I shall always cherish the talks we had in the last 2 or 3 months since he was stricken, because

again I saw demonstrated during those crucial hours the courage and character that came as his birthright from the mountains of Tennessee, and the strength he drew from those mountains. One of 13 children in a poor but a proud family, he went forth into the world from those mountains to become nationally, yes, even internationally known, for he proved his valor, his courage and his patriotism on the field of battle as few men have ever proven theirs, and was decorated for heroism by his own and many foreign governments.

Our lives, CARROLL's and mine, have been intermingled for more than a third of a century. We served together for many years on the House Committee on Interstate and Foreign Commerce. We also sat next to each other on the Committee on Rules for a long, long time. Both of us have been members of the Republican National Committee for many years. We worked together in the past campaigns of Senator Taft for he was one of the Senator's warmest friends.

During his national chairmanship—and I had the pleasure and the honor of nominating him for that position—I served as chairman of the executive committee of our party. I worked with CARROLL during the 1946 campaign as the campaign director of that year. Somehow or other our lives have been closely tied together all these years.

Mr. Speaker, I knew, as I said in the beginning, of the seriousness of CARROLL's illness, yet when word came to me early yesterday that he had passed on—and I am thankful that he slept away—I was not prepared for the shock which came from the news.

CARROLL REECE has proven to all of us that a man from lowly beginnings can reach the highest place in life; that he can contribute in many ways to the welfare of his beloved State, of his party, and of his country.

He leaves behind him to his wife, his daughter and his grandchildren, the priceless heritage of a good name. He leaves to those of us who knew him and called him friend many precious memories which will live as long as we live.

My sympathy, my condolences, go out to his wife, Louise, to his daughter, and to the grandchildren. It is my hope and prayer that divine providence may sustain them in the great loss that has been theirs.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. BAKER. I yield to the distinguished gentleman from Illinois, the minority whip.

Mr. ARENDS. Mr. Speaker, once again we stand on this floor in sorrow to pay our respects to a departed colleague—a true, loyal, and loving friend of many years. At times like these, words seem meaningless and empty; but the words spoken today I know come from the hearts of those of us who were privileged to know CARROLL REECE, our friend.

In the many, many years of my association with him in the House, this bond of friendship grew and grew. Not only did this friendship grow in a political way, for our political views coincided so

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

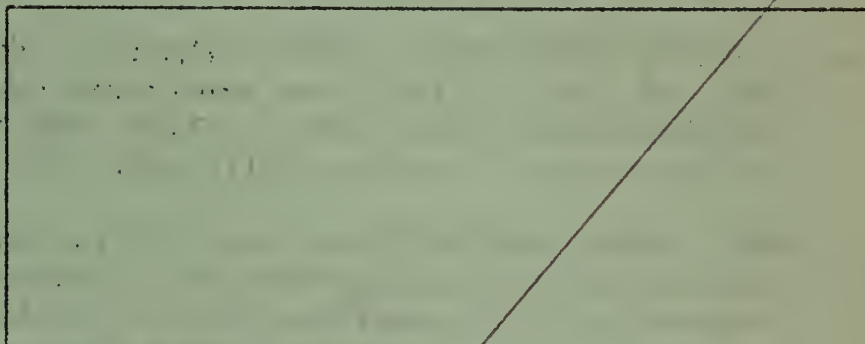
OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

CONTENTS

Issued March 22, 1961
For actions of March 21, 1961
87th-1st, No. 49

See page 6 for contents



HIGHLIGHTS: House agreed to conference report on feed grains bill. House passed sugar bill. Senate agreed to consider feed grains conference report Wednesday. House committee voted to report depressed areas bill. House subcommittee voted to report bill to extend Reorganization Act. Senate received Bagwell nomination. Rep. Schwengel criticized President's farm message.

HOUSE

1. FEED GRAINS. By a vote of 231 to 185, agreed to the conference report on H.R. 4510, to provide a special program for feed grains for 1961 (pp. 4144-51). See Digest 48 for a summary of the bill as reported by the conference committee.
2. SUGAR. By a vote of 284 to 129, passed under suspension of the rules H.R. 5463, to amend and extend the Sugar Act (pp. 4151-60). See Digest 48 for a summary of the bill as reported by the Agriculture Committee.
3. DEPRESSED AREAS. The Banking and Currency Committee voted to report (but did not actually report) with amendment S. 1, the depressed areas bill (p. D184). The Committee was granted permission until midnight Tues., Mar. 21, to file a report on the bill (p. 4137).
4. REORGANIZATION. The "Daily Digest" states that the Executive and Legislative Reorganization Subcommittee of the Government Operations Committee "met in executive session and rescinded amendments, adopted February 28, to S. 153, to further amend the Reorganization Act of 1949. The bill was again ordered reported to the full committee." p. D184

5. RESEARCH; FOOD INSPECTION. Passed without amendment S. 1028, to amend the Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959 so as to authorize the Secretary of Agriculture to extend beyond March 5, 1961, the effective date of the registration and enforcement provisions of the Federal Insecticide, Fungicide, and Rodenticide Act with respect to nematocides plant regulators, defoliants, and desiccants. This bill will now be sent to the President. A similar bill, H.R. 4662, was tabled. p. 4138
6. FORESTRY; RECREATION. Passed without amendment S. 449, to extend from Sept. 1, 1961, to Jan. 31, 1962, the time within which the Outdoor Recreation Resources Review Commission may make its final report. This bill will now be sent to the President. A similar bill, H.R. 2204, was tabled. p. 4138
7. UNEMPLOYMENT COMPENSATION. Received the conference report on H.R. 4806, to provide for the establishment of a temporary program of extended unemployment compensation for unemployed workers, including Federal employees and veterans (H. Rept. 183)(pp. 4135-7). House conferees were appointed earlier (p. 4135).
8. FARM PROGRAM. Rep. Schwengel criticized the President's farm message as containing "no new ideas on how to solve the farm problem," stated that enactment of his proposals "would be abrogating our responsibility as Congressmen," and urged enactment of a bill he had introduced to expand the conservation reserve program. pp. 4185-7
9. LABOR STANDARDS. The Rules Committee reported a resolution for consideration of H.R. 3935, to amend the Fair Labor Standards Act and increase the minimum wage gradually to \$1.25 an hour. p. 4160
10. WATERSHEDS. The "Daily Digest" states that the Conservation and Credit Subcommittee of the Agriculture Committee approved watershed projects for Ky., N. Mex., Hawaii, and Fla., and passed over various other watershed projects for the States of S.C., Va., and Ky.-Tenn. p. D184
11. PERSONNEL; BONDING. A subcommittee of the Post Office and Civil Service Committee voted to report to the full committee H.R. 2554, to repeal Sec. 14(c) of title 6 of the U. S. Code requiring an annual report by the Secretary of the Treasury with respect to the bonding of Federal employees. p. D185
12. TEXTILE IMPORTS. Rep. Lane urged greater restrictions on the importation of textiles and textile products. p. 4174

SENATE

13. FEED GRAINS. Received the conference report on H.R. 4510, to provide a special program for feed grains for 1961 (p. 4105). Agreed to a unanimous-consent request by Sen. Mansfield to consider the conference report on Wed., Mar. 22, with debate to be limited to 1½ hours (p. 4130).
14. NOMINATION. Received the nomination of John C. Bagwell to be General Counsel of this Department. p. 4131

DESIGNATION OF NATIONAL TRANSPORTATION WEEK

The Clerk called the resolution (H.J. Res. 143) authorizing the President of the United States to proclaim the week in May of each year in which falls the third Friday of that month as National Transportation Week.

The SPEAKER. Is there any objection to the present consideration of the resolution?

Mr. JONES of Missouri. Mr. Speaker, I object.

STUDY OF STATE TAXATION OF INTERSTATE COMMERCE

The Clerk called the bill (H.R. 4363) to amend Public Law 86-272 relating to State taxation of interstate commerce.

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 201 of Public Law 86-272 (73 Stat. 556) is amended to read as follows:

"SEC. 201. The Committee on the Judiciary of the House of Representatives and the Committee on Finance of the United States Senate, acting separately or jointly, or both, or any duly authorized subcommittees thereof, shall make full and complete studies of all matters pertaining to the taxation of interstate commerce by the States, territories, and possessions of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, or any political or taxing subdivision of the foregoing."

(Mr. WILLIS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. WILLIS. Mr. Speaker, I should like to offer a brief background explanation of the bill which is now before the House, H.R. 4363. This bill would expand the scope of the study required by Public Law 86-272. In that statute, Congress required the Committee on the Judiciary of the House and the Committee on Finance of the Senate to—

make full and complete studies of all matters pertaining to the taxation by the States of income derived within the States from the conduct of business activities which are exclusively in furtherance of interstate commerce, or which are a part of interstate commerce.

The general problem of State taxation of interstate commerce, of which income taxation is but a part, is not a new one. It has been with us for as long as we have been a Nation. However, during recent years it has become particularly acute. Rightly or wrongly, people have come to expect more from their Government—Federal, State, or local—too much, in my opinion. In addition, the cost of those things which local government has traditionally supplied—roads, schools, various eleemosynary institutions—has increased enormously. It has been estimated that State expenditures today are 400 percent more than they were some 15 years ago. The result has been that in their quest to keep up with expenses, States and local governments have, during recent years, turned to new forms of taxation and have begun to en-

force already existing forms with a new diligence and inspired ingenuity.

In 1959, the issue came to a head when the Supreme Court handed down its decision in *Northwestern States Portland Cement Company* against Minnesota and its companion case, *Williams* against *Stockham Valves and Fittings*. In those cases the Court upheld the constitutionality of a State tax on the net income of an out-of-State corporation even though the income was derived from activities exclusively in furtherance of interstate commerce.

Whether the *Northwestern* and *Stockham* decisions actually enlarged the authority of the States to tax out-of-State business has been and remains a matter of controversy. There were many who felt that the broad language in the opinion created new uncertainties. These apprehensions were strengthened by the refusal of the Supreme Court to review the decision of a State court in *Brown-Forman* against *Collector of Revenue*.

In that case, the out-of-State business—the taxpayer—had no office, warehouse, or other place of business in the taxing State. Income was derived solely from the activities of representatives within the taxing State. Nevertheless, the company was held subject to a tax on income apportioned to the State.

If businessmen were concerned with the meaning of the *Northwestern* case, where the company actually operated at least a sales office within the taxing State, they were seriously disturbed by *Brown-Forman*. At least 35 States, the District of Columbia and at least 8 cities tax business income derived from interstate commerce. How many of them would now seek to exploit an area into which they had previously ventured with varying degrees of diligence? How many of them would now seek to collect taxes, penalties and interests which had accrued over a period of many years, as *Minnesota* did in the *Northwestern* case? Although States could probably tax an out-of-State business which did no more than solicit within the State, how many would seek to do so? How many would expect those who did a negligible amount of business in the State to file returns and pay taxes even though compliance would cost almost as much or more than the tax itself?

Thousands of letters flowed into congressional offices and in the summer of 1959 Congress enacted Public Law 86-272. That act sought to relieve the apprehensions of the business community while at the same time preserving for the States a broad area for taxation. The act provided that a State could not impose a tax on the net income derived within that State by an out-of-State business, if the only activity within the State was the solicitation of orders. In effect, Public Law 86-272 drew the line about where the majority in *Northwestern* had drawn it but short of the implications of the *Brown-Forman* case. While Congress tried to enact a fair and reasonable statute, it recognized that in this most complex area it would have

been presumptuous to consider Public Law 86-272 a permanent or comprehensive solution to the problem. Indeed, the House bill would have limited the effectiveness of the statute to 2 years. And although the Senate version had no time limitation, the Senate report recognized the temporary or stopgap nature of the measure. In addition, both Houses called for studies of the entire problem of State taxation of income deprived from interstate commerce and this provision was enacted into law.

In the House the task of conducting the studies required by statute was given to the House Judiciary Committee and I had the great honor of being selected chairman of the special subcommittee charged with this responsibility. I might add that subsequently Senator BYRD proposed to defer to the House in this matter and, therefore, the study is now entirely the responsibility of my subcommittee.

If, after the enactment of Public Law 86-272, we were not all perfectly satisfied with our temporary solution to the problem, we at least felt that we had a breathing spell in which to think and study. But in the midst of our meditations the fire broke out again, this time in another area.

As you know, during recent years an increasingly large number of States and municipalities have turned to the sales tax as a source of revenue. To prevent evasion as well as to protect local businessmen from untaxed competition, they have also enacted use taxes. However, it is one thing to enact the use tax and another to collect it. A bright young man, some place, therefore, came up with the idea that since sellers are less numerous and easier to find than buyers, why not require out-of-State businesses selling within the State to collect use taxes from their customers and pay them over to the State. As you might expect, this was not received with universal joy unbounded by the public community.

The upshot was, of course, another battle in the courts and a decision by the Supreme Court of the United States. In 1960, in *Scripto* against *Carson*, the Court held that a State may require an out-of-State business to collect a use tax for it on sales within the State even though the company maintained no facilities there. The reaction was much the same as that which followed the *Northwestern* decision and once again Congress was importuned to preserve the country from alleged Balkanization by tax collection.

It appeared to many of us that this was another aspect of the same economic and general legal problem as that raised by the income tax in *Northwestern*. The conflict between our historic demand for an unobstructed flow of commerce among all the States was once again at loggerheads with the need of the States for revenue and their desire to protect local businesses from competitive disadvantage. This would be the basic framework of the problem regardless of the type of tax involved.

This is a unitary problem—one which cannot be neatly compartmented into an income tax problem, a sales tax problem, a use tax problem, a franchise tax problem. It appeared that there could be neither a meaningful study nor a meaningful solution unless we looked at the entire picture. Accordingly, I introduced H.R. 4363, the bill which is now before the House. This bill would enlarge the scope of our study to cover "State taxation of interstate commerce," rather than just "Income derived from interstate commerce." In this, I have the support of Senator BYRD, chairman of the Senate Committee on Finance. I hope that the bill will be favorably acted upon by both Houses.

The problems with which our special subcommittee will have to deal are numerous, complex, and large. We are faced with determining such questions as:

What is the extent of the Federal power in this area and, conversely, what is the extent of State power?

What is the validity of a minimum activities approach?

What is the validity of a solution based upon a uniform allocation and apportionment formula?

If such a solution is valid, what factors are to be used in the formula?

What are the economic effects of any proposed solution? Does it protect the unity of the Common Market while at the same time preserve an adequate source for State revenue?

Should intangibles as well as tangibles be included in any Federal statute?

Should provision be made for the problems of the interstate transportation business?

These are but a few of the serious and difficult issues which confront us. The problems are great but the opportunities are also great. For over 150 years we have wrestled with this dilemma. Up to now it has been the courts which have had to draw the lines. We have had to this date some 300 full-scale decisions in this general area by the Supreme Court of the United States alone, yet the problem remains with us. We have only now come to the realization that these are questions which are not susceptible of solution in the ad hoc manner in which cases are decided dependent as they are both on variations in fact and in changes in the personnel of the Court.

The need for congressional action was pointed out most clearly by Mr. Justice Frankfurter in his dissenting opinion in the *Northwestern* case when he stated that "Congress alone can formulate policies founded upon economic realities," and that "congressional committees can make studies and give the claims of the individual States adequate hearing before the ultimate legislative formulation of policy is made by the representatives of all the States."

This is the task we now have before us. It is a milestone in our economic and legal history.

Mr. DADDARIO. Mr. Speaker, I want to compliment the Committee on the Judiciary for taking note of the burgeoning problems relating to State taxation. Like all of the members, I

recognize the increasing demand at State levels for revenues to carry on vital programs, but I am concerned deeply with the effect that some actions are having or may have on interstate commerce.

Two years ago I supported the recommendations of the Committee on the Judiciary with respect to the right of the States to collect income tax on revenues collected within each State. Subsequently, following the *Scripto* decision, I introduced legislation which would add to the study of the committee the question of whether States may require companies to collect and forward use taxes when sales of such products are made in other States.

It was too late to hold hearings on that legislation a year ago, I was advised, and I reintroduced such legislation in the form of H.R. 1148 in this session. I believe it should be made the subject of hearing at the earliest possible date, because we are seeing an increase in the problem that will make a future decision very hard on any State.

I may point out that the constitutional questions which arose concerning the collection of income tax do not arise in the case of H.R. 1148. It says nothing about the right of a State to collect a tax from a resident who makes a purchase within that State. It does seek to limit the power of the States to go roving throughout the other States to make business concerns pay levy to them.

This, I think, is a serious question. If we are to have a common market in this country—if we are to encourage full economic activity—if we are not to have taxes laid on articles exported from any State, as is directly forbidden in the Constitution—then I believe we ought to check this growth of *Scripto*-type taxes immediately until the Judiciary Committee completes the study it is now undertaking.

I may point out this fact. The present situation requires companies to maintain books and records on sales activities in 50 States, even though they have no sales offices in those States. Two years ago, only one or two States interpreted the law in the way upheld in the *Scripto* case. Today, more than five have, and others have such an application under consideration. If we delay in suspending this application of use tax laws until the question is studied and ironed out, more States will have begun to tap that revenue and incorporate it in their revenue base. Then a correction will prove a definite hardship.

I trust the Committee on the Judiciary, which, as I understood it from previous correspondence, already is given under the rules the right to handle measures affecting interstate taxation, will see fit to recommend shortly the suspension of collection of use taxes as it is described in H.R. 1148, before the situation is entirely out of hand.

All our States depend heavily on the growth of economic activity. They need a free and unfettered economy in which manufacturers and businessmen may develop markets across the country. The insistence that companies which may have no other connection with a State

serve as a collection agent for such a State is an unnecessary harassment at a time when we should be encouraging business activity.

I hope, therefore, that this bill will not be regarded as a solution to the problem, and that we can have assurances from the distinguished chairman that steps will be taken to suspend taxation of interstate commerce until the studies which are herein authorized may be completed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

(Mr. McCULLOCH asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. McCULLOCH. Mr. Speaker, the passage of H.R. 4363 to expand the scope of the tax study authorized by Public Law 86-272 so as to include all aspects of State taxation of interstate commerce could easily become one of the most important legislative accomplishments of the 87th Congress.

After the Supreme Court decision in *Northwestern Cement Company v. Minnesota* (358 U.S. 450 (1959)), it became evident to many Members on both sides of the aisle that it would be necessary for Congress to establish a minimum standard to be followed in the State taxation of income derived from interstate commerce and that a comprehensive and objective study of the problems involved in this area of Federal-State relationship should be undertaken.

The results, as is now well known, was to include a study provision in the bill which became Public Law 86-272.

Since the enactment of Public Law 86-272 the Supreme Court rendered a decision in *Scripto, Inc. v. Dale Carson* (362 U.S. 207 (1960)), involving the imposition of a Florida State use tax on a commodity sold and shipped from Georgia. From this and from other recent decisions it has become evident that a study limited to State taxation of income derived from interstate commerce without at the same time considering the other aspects of State taxation of interstate commerce, such as sales and use taxes, would be of very limited value. In short, the problems in this entire area of State taxation are related and it is of the utmost importance that a practical, unified, and workable solution instead of a piecemeal solution be determined and enacted into law once the proposed study has been completed.

I might add that the problems presented are grave, that they touch on Federal-State relationships, and that I am particularly gratified that the study is going to be broadened.

FEED GRAIN PROGRAM, 1961

Mr. COOLEY. Mr. Speaker, I call up the conference report on the bill (H.R. 4510) to provide a special program for feed grains for 1961, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of March 20, 1961.)

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. POAGE], chairman of the subcommittee that handled this bill.

Mr. POAGE. Mr. Speaker, I believe the conference committee has been able to bring back to the House a very satisfactory compromise with the Senate. Basically we have kept intact the major provisions of the bill as passed by this body.

The statement on the part of the managers which was just read gave you an outline of those differences and how they were composed. It was pointed out that the very basic provisions as to support prices were retained. We do retain the provision as to how the Secretary of Agriculture shall support feed grains produced by a cooperator, and while the House bill did not have any figure in dollars and cents, in it, and the conference report does not have a figure, we do provide that the support price shall be not less than 65 percent of parity, and we have the assurance of the Secretary that it will be \$1.20 a bushel on corn and other feed grains in proportion, so that we start out with a sound and understandable premise.

There was some wording in the House bill relating to the land which might be placed in soybeans or any crop not raised for feed and designated by the Secretary, and that was stricken out. We simply wrote in there that it might be devoted to "sunflowers," "castor beans," "safflower," or "sesame" if so designated by the Secretary, and in the event that the cooperator saw fit to forgo the payments per acre in order to grow the non-surplus crop on this land.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I think the conferees on the part of the House have upheld with dignity the position of the House in the conference that took place. I agree with the gentleman that the substance of the House bill has been preserved and maintained in the conference report. I can assure the gentleman that the President is satisfied with the conference report.

Mr. POAGE. I thank the gentleman.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Illinois.

Mr. ARENDS. In other words, if I understand the gentleman correctly, he feels that the House position has been maintained, even including section 3, which was maintained in the House bill?

Mr. POAGE. I do. I have not reached section 3 in my chronological discussion, but I think that is the section in which the House is primarily interested. While the language in section 3 is completely different from the

language in the House bill, I think the results achieved are substantially the same, and those results are, to wit, to allow the Secretary of Agriculture, through the power to move in this case certificates rather than grain, to move certificates into the market. The Secretary retains the power to keep the market at substantially its present level. This is not a program, as some have described it, to break the market but rather to maintain the market at approximately \$1 a bushel on corn, which is the market now, so that if there is any increase, as we anticipate there will be, in the market price of corn and feed grains as the result of this bill, that increase will inure to the benefit of the cooperators and the U.S. Government and not to the benefit of noncooperators who did nothing in the world to bring about the increase.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Iowa.

Mr. GROSS. But the ability to issue certificates carries a built-in limitation that section 3 previously did not carry; is that not correct?

Mr. POAGE. That is correct, and I do not think it is a bad feature. I think that feature is all right, because it does allow everyone to know the maximum amount of grain or grain equivalent which the Secretary may ever place on the market.

Mr. GROSS. But that is definitely a limitation that was not contained in section 3.

Mr. POAGE. That is definitely a limitation, which was not contained in the original bill.

Mr. ARENDS. Mr. Speaker, if the gentleman will yield further, under the provisions of section 3 in the House bill, whereby the Secretary would be permitted to sell corn at 17 cents below the support price, what would be the equivalent under this bill? You mentioned \$1. Would that be the equivalent of \$1, which is the market price today?

Mr. POAGE. One dollar is the market price today, and that is the goal toward which we are shooting. The House bill provided specifically that the Department could not go below that amount and the compromise does not have that limitation on it. The limitation mentioned by the gentleman from Iowa is as to the total amount, and we anticipate that with the lesser amount which can be offered in the market, the Secretary could not effect a greater depression which he could have with the 17-percent limitation which was effective under the original bill. So we did not figure that the 17-percent limitation was necessary at this time.

Mr. ARENDS. Let me put it another way. I am not quite clear. Assuming that the market might go up in a period of 3 months—that is, the market for corn—to \$1.15 per bushel, would the Secretary under the provisions of the compromise have the right to sell corn at \$1 a bushel?

Mr. POAGE. Yes, he would. He would have the right to sell certificates.

Mr. ARENDS. Certificates; yes.

Mr. POAGE. Which would be redeemable in corn, which would result in the buyer getting corn at \$1 a bushel.

Mr. NELSEN. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. NELSEN. I was interested in clearing up this point. Under the provisions of the bill as agreed to by the conferees, if part payment is made in cash or in kind on signing, immediately the Secretary would have available this certificate or commodities in like amount. Could he then dump that on the market now, which would affect the last year's crop of corn, and which would be really taking an unfair advantage of last year's crop? I wondered what the policy would be on the part of the Secretary.

Mr. POAGE. Under the bill he can clearly offer those certificates for sale whenever they are placed back in his hands by farmers. Of course, he cannot get any certificates until after somebody has signed up and has acquired the certificate. Then it does not involve breaking the market on the old corn. That was the point that I tried to make plain a while ago. I think that is the basic misunderstanding about this bill. There has been no desire at any time to break the market. The market on corn today is \$1. Farmers are not getting \$1.15 for their corn. Corn is not going to go up unless there is some restraint in the amount of plantings during the planting season. Everybody knows that. If we have a large number of noncooperators who plant too much, obviously the price is not going up in the market. On the other hand, if we have a large number of cooperators, the price will go up and it will go up because of the sacrifice of the cooperators. This bill—either the bill under the conference report or the original House bill—is intended to simply to say that that increase in price shall come to the people who made that increase possible. By the wildest stretch of the imagination you cannot assume that anybody except the cooperator made that increase possible.

This report authorizes the Secretary if he finds that the price is going up as a result of this program, and if there is a big sign-up, the price will begin to go up—after the Secretary finds that that is going to be this result, he will recapture for the United States Government and for the cooperators the increase rather than allowing it to go to the noncooperators.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Texas.

Mr. MAHON. The gentleman knows that many of us have some very serious reservations as to the desirability of this legislation. I am much concerned over the whole matter. Some of my concern over this measure was expressed when the bill was before us some time ago.

I would like to have the gentleman's own personal view on the following question: Does he presently think that if this bill is enacted into law, it will decrease the production of feed grains,

that it will decrease the Government-held stocks of feed grains, that it will increase the income of the farmer and bring on a more wholesome and stable situation in agriculture?

Mr. POAGE. It is my view that it will do all three of those things.

Mr. FOGARTY. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. It looks to me as though this was just a sop given to the Midwest farmers, because if they do not buy it, they are not going to have any program. Then in the fall when prices go up, stimulated by the higher price supports, corn will go up to \$1.20 a bushel. That is when my people in the Northeast are going to be hurt, because they are too far from the source of supply and as a result will feel the pressure in the increased prices on poultry and eggs and beef in those areas where we have it, and also, that price increase will be passed on to the consumer.

Mr. POAGE. Most of the people in the gentleman's area I have heard from have suggested they wanted the price of poultry to go up. It is disastrous today at the old levels, as the gentleman knows, at 12 or 13 cents, when it takes 17 or 18 cents to make any kind of profit.

I think this bill offers the greatest hope that has been offered the poultry growers any time I have known of, because it guarantees a stable feed price level for at least the next 6 months. Nothing can be better for the poultry growers than a stable feed price level, with the assurance that at the end of that time there would be an upward movement, which should strengthen the price of poultry during all of those months.

As to your consumers, they had a better deal when the farmer was getting 18 cents a pound for his poultry than they have today. The A. & P. and other stores in the gentleman's part of the country were selling dressed chickens at lower prices with the higher feed prices than they are selling them today with the cheaper feed prices. I will not guarantee that this will bring the price of chicken down, but I do assure the gentleman that the history of this thing is that you bought dressed chicken and dressed meat much more cheaply when we had higher feed grain prices than you do with the low prices here today.

(Mr. FOGARTY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. FOGARTY. Mr. Speaker, I voted against this feed grain bill last week in the form in which it then was—and that was bad.

Today, I will vote against this conference committee report because it is even worse from the point of view of two groups in which I am most interested—consumers—and aren't we all—and the farmers of the deficit areas of the Northeast who must buy their grain for milk and poultry production.

As the bill passed this Chamber last week, it had in it a provision under which the Secretary of Agriculture could have dumped mountains of grain

onto the market. The Senate would not buy that provision. Accordingly, a so-called compromise was arrived at.

But, is it a compromise? I say "No." I say this conference version is more dangerous.

Under the terms of this conference version, the Secretary of Agriculture could depress the market price of grain, particularly corn, at planting time through a prepayment gadget. Let us not fool each other. This was written into the conference report to scare midwestern farmers into this program. Certainly, it takes no genius to understand that if a Government official has the right to depress prices at planting time, he will use that authority to intimidate farmers who might be naturally reluctant to take part.

So much for that.

But, next fall—when the huge corn crop, stimulated by the higher price supports, is harvested, the Secretary will artificially raise the market price to equal the support price, presumably \$1.20 per bushel.

This is when the northeast poultry and dairymen will take it in the neck in the form of sharply higher feed prices. This is when consumers in our cities will find out what was done to them today.

All this means to me that the sponsors of this report are trying to fool some of us from the cities.

They tell us that prices will be lower pretty soon now—with the help of Government funds—but they do not tell us what the prices will be in the fall at harvest time.

There is an old song that has this little ditty in it—"Will you love me in the springtime as you loved me in the fall?"—I would suggest we of the Northeast reverse that and ask if the sponsors of this bill will love us in the fall as they do right now.

Mr. HOEVEN. Mr. Speaker, I yield myself 10 minutes.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Speaker, the Senate and House conferees on H.R. 4510 have agreed on a feed grain bill which is now before you. This is a most controversial piece of legislation. The bill has many good features and some features which cause me a great deal of concern. My doubts about the bill, in fact, were serious enough so as to keep me from signing the conference report. Hence, it should be understood at the outset that I am not for one moment suggesting how anyone should vote on the conference report. Each one of you must exercise his own judgment.

You have already had the analysis of the conference report so I do not intend to be repetitious in that respect. The bill for all practical purposes fixes the support price on corn at \$1.20 a bushel which is 74 percent of parity. Needless to say, I favor an adequate support level for corn and the bill is an improvement over the present law in that regard. I favor the provision in the bill for a voluntary agricultural conservation and land retirement program for 1961 for corn and grain sorghums. In fact, I feel

that the retirement of acres is one of the best mediums for cutting down on our agricultural surplus of corn and feed grains. I have introduced bills in both the 86th and 87th Congresses to bring this about. Furthermore, I am heartily in favor of the payment-in-kind program which is authorized in the bill. Bills to carry out a pay-in-kind principle were introduced by me in both the 86th and 87th Congresses. Furthermore, land retirement and payment-in-kind were favored by the Eisenhower administration.

I am in favor of the cross-compliance features of the bill and concur in the requirement that producers of corn, grain sorghums, and any other feed grains designated by the Secretary must participate in the land retirement program for corn and grain sorghums in order to be eligible for price supports. In my judgment, if we had had such a provision in the law today we would have avoided a lot of the surplus difficulties in which we find ourselves at the present time.

The present version of the legislation in many respects is a great improvement over the bill which squeaked through the House quite recently by a vote of 209 to 202. The main objection to that bill was section 3 which would have established the worst kind of a precedent in setting up the Secretary of Agriculture as a virtual czar of the entire corn and feed grain market. The conference did strike section 3 in its entirety from the original bill and this fact on its face would seem to make the bill more palatable.

Let me point out, however, that the present section 3 in the bill now under consideration, for all practical purposes, still permits the Secretary of Agriculture to do indirectly the very things we prohibited him from doing directly when the conference eliminated section 3 from the original House bill. The only real practical difference is that the Secretary under the revised version of section 3 would not have as much grain at his command with which to manipulate the feed grain market.

I fear that the new section 3 will still authorize the Secretary of Agriculture to manipulate and control the corn and feed grain market through the medium of negotiable certificates which would be redeemable for feed grains notwithstanding any other provision of law. Instead of actually having control of all commodity credit stocks as provided for in the original House bill, the Secretary under the revised provision of section 3 would still have control of the feed grain market through the medium of giving him control of the feed grain certificates. You will note the provision in the new section 3 which says in substance that the Secretary may assist the producers in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the feed grain program authorized by the act.

This new authority unquestionably would give the Secretary full authority to release commodity credit stocks almost at will whenever he had accumu-

lated enough of the certificates to do an effective job. The most that can be said in favor of this provision is that the Secretary could release commodity credit grains in a lesser degree than he could under the provisions of the old section 3 of the House bill. Just how much grain the Secretary could release would depend upon the degree of compliance as far as the retirement of acres is concerned. The bad precedent of setting up the Secretary as the major-domo of the feed-grain market would still be involved.

If the conference report is approved it is my sincere hope that the Secretary of Agriculture will take the necessary safeguards in administering section 3 in a sound and sensible manner so as not to demoralize the feed grain market at any time. The only redeeming feature of the whole operation of section 3 is that the bill only applies to the crop year of 1961. It is my opinion that the bill being operated only during such a limited period cannot do too much harm. By the same token, I doubt very much whether the legislation will do much good. Reports I have received from the Corn Belt seem to indicate that there is not going to be a very heavy compliance on the part of corn producers. I am sure such compliance will fall far short of the 70 percent compliance expected by the sponsors of the legislation. As far as I am personally concerned, the operation of section 3 giving the Secretary of Agriculture extraordinary powers over the feed grain market will in no sense of the word set a precedent for any subsequent legislation in this field. The operation of section 3, as far as I am concerned is strictly limited to the crop year 1961. I would most vigorously oppose giving the Secretary similar authority in any long-range feed grain legislation.

Please bear in mind that the current marketing year for 1960 started on October 1, 1960, and runs to September 30, 1961. We are now in the period of time when feed grain farmers will market their 1960 crop. In addition, farmers have the right under the law to place their 1960 production of feed grains under price support loan until May 31, 1961. In other words, when farmers planted last year's crop in the spring of 1960, they expected—and rightfully so—that the announced program would be in effect throughout the entire 1960 marketing year. If substantial quantities of surplus feed grain are released into the domestic market under the authority which the Secretary possesses in H.R. 4510, I feel the Secretary will be changing the rules in the middle of the game. This would be a serious breach of faith on his part.

In conclusion, I foresee many serious administrative problems involved in the enforcement of the provisions of H.R. 4510, many of which are not now anticipated. I fear that the sponsors of this legislation are going to be very much disillusioned and I predict that they are not going to make good on all their generous promises made to the American farmer. This of course is the responsibility of those who are pushing us so fast across the New Frontier. If the

conference report is adopted, I sincerely hope the bill will be administered with a lot of commonsense. I also sincerely hope that if the bill becomes law, it will in some measure raise the farmer's income and that it will also save some money for the already overburdened taxpayers of the country. In view of the moral obligation that the Government has toward farmers on their 1960 production, if the conference report is adopted, I urge the Secretary to exercise the utmost integrity and care in administering this part of the program.

This legislation is the creature of the Democratic administration. If it cannot make good on its promises, the farmers of the corn and feed-grain belt, will know where to place the responsibility.

I have given you the good features of the bill as well as the undesirable features. Now each of you will have to make up his own judgment. Representing one of the greatest corn and feed grain areas of the country and having carefully weighed both the pros and cons of this temporary legislation, I have concluded to give our corn and feed grain producers the benefit of the doubt. Hence I expect to vote for the conference report.

Mr. COOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Speaker, I rise in opposition to the conference report.

The conference report on the feed grain bill has the same dangerous approach as in H.R. 4510. It would establish a bad precedent in giving the Secretary of Agriculture the authority to beat down market prices by releasing Commodity Credit Corporation stocks.

It reverses the healthy trend of recent years toward an expanding free market for corn.

It establishes a precedent for bushelage control, which ultimately means licensing—destruction of the free American's right to produce.

Artificial pricing in this bill would endanger our feed grains exports which last year reached an alltime high of 12 million tons.

The bill flies in the face of experience. American agriculture has become great because it has been free. The bill will be effective only if the Secretary uses dictatorial power over grain marketing. So, either way, it is a bad bill.

The crying need in farm legislation today is to get Government out of the grain business, and let farmers manage their own land.

Commodities free of Government interference are the healthiest and most profitable. Commodities controlled by Government are in trouble.

This bill is bad for the farmers. Like everything else that is bad for the farmers, it is also bad for America.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. JONES].

(Mr. JONES of Missouri asked and was given permission to revise and extend his remarks.)

Mr. JONES of Missouri. Mr. Speaker, having served on this Conference

Committee, I would say that this bill that comes back here today is in a form that should not cause anyone who voted for the House bill to change his mind. I think you can safely vote for it, because it continues in effect to do the things that we felt would be helpful in bringing about a reduction in the supplies and would also have the effect of reducing production. Those are the two goals that we aimed at.

I say to those who voted against the bill because they felt it was giving the Secretary of Agriculture a blank check to take commodities from the Commodity Credit Corporation to sell on the open market to break the market; that that feature has been tied down to the extent that the grain that will flow into the market under this device by which the Secretary can stabilize the market, is restricted to the amount of certificates that will be paid to those who comply by removing not less than 20 percent of their acreage, under the bill.

I was sorry that the gentleman from Iowa [Mr. HOEVEN], brought politics into this bill by his reference to the fact that this was a Democratic creature. I think all of us should understand that the farm problem is not a partisan problem at all. I think Republicans should be just as interested as the Democrats in trying to set the stage where we can operate in an economy that will be healthy for all farmers. I think all of my friends on this side will agree that we cannot have that type of economy until we do reduce the great overabundance that we have. This bill will do that. For that reason I think you would be justified, with the changes that we accepted in the rewriting of section 3, to go along with it. Those who voted against it, perhaps on partisan grounds, now have an opportunity to reconsider their action, and vote to approve the conference report.

I am appealing to you that if you are trying to do something to help this feed grain situation you can vote for this bill.

In reference to its setting a precedent, this is an emergency. This is a plan to meet the emergency for 1 year only. If this does not do the job there is no reason why we should attempt to continue it further, but we will at least have proved that this one plan either is successful or is not successful. We have coasted along for about 8 years without doing anything and have seen our problem grow progressively worse.

I appeal to you who have been content to go along doing nothing at least to give us a chance this one year. If it fails then we can change the law to reduce production, but I believe this will reduce the overabundance and get us to the point where we set the stage for a firm, sound farm program.

Mr. Speaker, I yield back the balance of my time.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Speaker, I take this time to clear up a couple of points. I would like to address a question to the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY].

Am I to understand from the conference report that the cross-compliance feature between soybeans and corn has been stricken from this bill?

Mr. COOLEY. The gentleman is correct; that section was eliminated.

Mr. LATTA. I want to thank the gentleman and to compliment the conference committee on adopting this provision excluding soybeans from the bill. When the bill was before the House for consideration I offered an amendment to do exactly that, but it was turned down by the House. I am certainly glad that the conference committee in its infinite wisdom adopted my amendment and that the soybean-corn cross compliance feature is now out of this bill, that producers of soybeans do not now have to participate in the corn program to secure price supports.

I would also like to direct another question to the chairman of our committee, dealing with the first 20 percent. As this bill now stands, does the Secretary of Agriculture have the choice as to whether he will pay the first 20 percent in kind or in cash? Or is that left to the producer?

Mr. COOLEY. If I understand the gentleman's question correctly, the Secretary may make a determination as to what is to be paid in kind.

Mr. LATTA. On the first 20 percent.

Mr. COOLEY. That is right.

Mr. LATTA. Then if the Secretary so desires he can make all this payment in kind for the first 20 percent, also the second 20 percent.

Mr. COOLEY. That is right, and in that event he would not use the \$500 million provided in the House bill.

Mr. LATTA. In the event the Secretary decides to make payment in kind, must it be universal for each of the 50 States? Or can he designate the State of Iowa, for example, to get cash, and the State of Ohio to get payment in kind? The question is, Can he discriminate between growers?

Mr. COOLEY. The Secretary has very broad discretionary powers granted to him in the bill, but I am quite certain he would make all regulations and provisions uniform throughout the Nation. Perhaps he could do what the gentleman has in mind, but certainly I could not believe that he would.

Mr. LATTA. It certainly was not the intent of the conference committee to give him the power to discriminate among growers in the United States.

Mr. COOLEY. It certainly was not.

Mr. LATTA. I thank the gentleman.

This bill still contains a very objectional feature, I have reference to the bushelage controls contained therein. As I pointed out when the bill was before the House, I am very much opposed to bushelage controls and I am still opposed to them and I was hopeful that the conference committee in its wisdom would strike this feature from the bill.

In my opinion, we are setting a very definite precedent, whether we say so or not, by going in this direction. It is progress in reverse for the American farmer. Certainly, American agriculture productionwise has progressed farther and better than any other segment of our economy. We are the envy of all

the world in this field. Certainly we should not say to the American farmer, you have progressed far enough, you should not progress any farther.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Speaker, as the new feed grain bill as it was compromised in conference comes before us, we have a bill which is different from the one which passed the House and more closely allied with what came out of the Senate.

In looking over this legislation I have decided to support it for a number of reasons:

First. The bill provides that price supports on corn be set by the Secretary of Agriculture at any level over 65 percent of parity that he desires. We have heard many times during campaigns that if the Democratic administration was in power it would set price supports at 90 or 100 percent of parity. I would like to have the people of this country see that even Secretary Freeman is setting corn price support at 74 percent of parity, when the authority is given to him.

Second. The second reason why I am supporting this legislation is that it provides for voluntary retirement of acreage, the use of payment in kind, and price supports on these commodities contingent on compliance with this program. This follows the basic principles of the Farm Bureau program for feed grain. Their bill involves more crops than are involved in this bill. Also, they provide for a longer base history, but this has many of the basic aspects of their program.

Third. I believe there is an opportunity, if the Secretary of Agriculture administers the program correctly, cut down on the surpluses, cut down on costs to the taxpayer and improve the income of some of the farmers in my part of the country.

In section 3, however, there has been a change. You can see that we cut off the stick by which the Secretary of Agriculture can force farmers into compliance. It is true we have cut off the stick on one end, but we lengthened it on the other. The only reason why I think we could take a chance on this unwarranted authority is that the amount of grain involved will have very little effect on the market price in case there is little compliance, since the Secretary would not have very much grain to manipulate the market with anyway. If there was a great deal of compliance there would not be any necessity for him to use his authority to sell below the support level. I would hope he would make these original payments in cash rather than in kind as first intended in order that he will not harm the market. If the Secretary of Agriculture should drive prices down this spring he would be breaking faith with every farmer who expected to sell his 1960 crop corn this spring and summer. If he would lower the price of corn he would also lower the income of farmers who have corn to sell now. I ask him to not allow that to happen but, rather, to

stay away from manipulating the market and to allow the free market to function to the benefit of all farmers.

I think the people of this country should have an opportunity to see how this administration will administer a program of this nature.

The bill carries with it a requirement that 90 days after it goes into effect the Secretary must report back to the Congress in order that we may know how he did administer the program and the results thereof. If he does not conduct himself according to the way we think the bill should be administered, we will know it before we leave this Congress. If we find he has used unreasonable power over the market, we can remove this authority through legislation before we adjourn.

For these reasons, and since it is only a 1-year bill, I am willing to permit it to go into operation to see if it will be of any benefit and give us an opportunity to judge the administrative decisions and intentions of the Kennedy administration.

In order that you might know what the bill contains I might review the provisions.

It:

First. Authorizes the Secretary to set for 1961 the price support for corn at not less than 65 percent of parity. Price support in 1961 is limited to a volume of corn and sorghum equal to the normal 1959-60 production of these grains.

Second. Directs the Secretary to establish a voluntary special agricultural conservation and land retirement program for 1961 for corn and grain sorghum farmers. Under this program he would:

(a) Make payments to participating farmers in cash and/or in kind. Payments in cash and/or in kind on the first 20-percent reduction are calculated at the basic county support rate times 50 percent of normal production. Payments in kind on up to an additional 20-percent reduction are calculated at the basic county support rate times 60 percent of normal production.

(b) Require a 20-percent diversion of corn and grain sorghum acreage for payments in cash and/or in kind and authorize a 20-percent further diversion for payments in kind.

(c) Require in 1961 a net addition of acreage devoted to soil conserving practices in 1959-60.

(d) Require weed, insect, and rodent control on the retired acreage.

(e) Allow producers to meet the 20-percent land retirement requirement, in lieu of payments, by planting safflower, sunflower, sesame, and castor beans, if designated by the Secretary.

(f) Allow small corn-sorghum farmers—those planting 20 acres or less in 1959-60—to place their entire acreage in the program.

(g) Allow prepayment, of up to half of payments, before determination of compliance.

Third. Provides that certificates issued to farmers would be expressed in dollars and redeemable in CCC feed grains—corn, oats, rye, barley, grain sorghum—at current market prices. The Secretary may assist in marketing certificates.

Redemption of certificates must be within 30 days or certificates discounted. Provision made for sharing of certificates among all producers on the farm.

Fourth. Requires that producers of corn, grain sorghum, and any other feed grain designated by the Secretary must participate in the land retirement program for corn and grain sorghum in order to be eligible for price supports.

Fifth. Authorizes a general appropriation and allows CCC to pay administrative expenses from its funds. Also authorizes the incurring of advance obligations, plus the payment-in-kind costs.

Sixth. Requires the Secretary to submit a report to Congress within 90 days showing the general operation and results of the program.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Iowa.

Mr. GROSS. May I ask the chairman of the Committee on Agriculture a question? Do I understand that the Secretary of Agriculture has stated that the enactment of this legislation will mean a 10-percent increase in farm income and a cut of between \$400 million and \$600 million in the cost of the program?

Mr. COOLEY. The Secretary estimates that that will take place. Of course, all of that depends upon the volume of participation in the program. As the gentleman knows, we will be getting off to a late start. This legislation should be passed and sent on to the White House. Action should have been taken 2 or 3 weeks ago, perhaps. But, his estimate is that it will probably save from \$400 million to \$600 million on the program during the current year.

Mr. GROSS. And increase the income of the farmers by 10 percent?

Mr. COOLEY. I will read what he says:

First, it offers to farmers who wish to cooperate an opportunity to help bring feed grain supplies more nearly in line with demand while increasing their income by some 10 percent.

Mr. GROSS. I thank the gentleman.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. COOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. NELSEN].

Mr. NELSEN. Mr. Speaker, may I ask the chairman of the committee a question in order to clear up a point? Am I correctly informed that under the terms of the bill the Secretary of Agriculture may require a 20 percent reduction in corn acres in order to qualify for feed grain support? Is that right? I mean, in all other feed grains, oats, barley, and so forth.

Mr. COOLEY. That is exactly right. The Secretary may name the other grains.

Mr. NELSEN. The point I wish to place in the RECORD is this concern that I have expressed for the type of farmers that live in my area. If a farmer is cut back 20 percent on his corn, he will be unable to fill his silo, and therefore he will be denied the opportunity of participating in any feed grain supports

whatever. That is the concern I had of the silage provision. Now, silage does not come into competition in the feed grain market. It has been settled and the decision has been made. But, this has made it more difficult for the farmers in our area to participate, which means that you will not get the land retirement that we need in order to have this program work. Certainly, those of us who live on the farm want it to work, because the only way we can succeed is with land retirement.

Mr. COOLEY. I would remind the gentleman of the fact that we accepted the gentleman's amendment. We went to conference with it and we insisted that it be retained, but we were unable to convince the Members of the Senate.

Mr. NELSEN. I thank the gentleman. I wanted to bring this point to the attention of the House here today, and I do hope that the Secretary will use discretion with the certificates that he now gets, because if he does not, we could seriously affect the market price of the grain coming onto the market from last year's crop.

Mr. McSWEEN. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Louisiana.

Mr. McSWEEN. Is the gentleman's amendment still in the conference report?

Mr. NELSEN. No; silage has gone by the board.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, I would like to ask the chairman of the committee or the gentleman from Texas [Mr. POAGE] if I clearly interpret what we are doing here today in this conference report. Would you say that this conference report creates involuntary compulsion, and that our corn farmers find themselves in this position: That we are being told how much we can plant, how much we can sell, based on yields for the years 1959 and 1960 and then by the powers given to the Secretary of Agriculture what price we are going to get for corn? Is that a fairly accurate statement?

Mr. COOLEY. I do not see how by any stretch of the imagination the gentleman from Illinois could read such a proposition into this legislation. It has never been intended in that way, and there is nothing at all compulsory about this program.

The gentleman, as a farmer, can stay out of the program and have nothing to do with it. There is no force connected with it.

Mr. ARENDS. But the price of corn for any farmer who does not go into the program will be controlled by the Secretary of Agriculture.

Mr. COOLEY. That is right.

Mr. ARENDS. In other words, the Secretary of Agriculture through powers herein granted will say what the farmer is going to get for corn if not in the program. Now I would like to make one other statement; and I throw this out merely as a warning signal. What can we do about the statement made

before the House Agriculture Committee by the Secretary of Agriculture to the effect that the support price on beans would be \$2.30? Today we have a good price on beans in the free market. I have some figures given to me by a so-called student of the problem as to what the possibilities are with an increased acreage of beans.

The farmer who substantially reduces, say goes into the program with a required 20-percent reduction in corn or 40 percent, will then likely plant soybeans. At \$2.30 a bushel, the proposed support price, he will do pretty well. But how are we going to compete in the world market with the price support of \$2.30? So the end result may well be—and, as I say, I throw this out as a warning signal—we could have soybeans in surplus within a relatively short period of time. That, it seems to me, will follow just as surely as night follows day if the support price is put at \$2.30 a bushel, as the Secretary said would be the case when he testified before the committee.

So, Mr. Speaker, I want to state to the Members of this House that this whole agriculture picture still presents a very troublesome problem and I am not at all sure that we are here curing the situation, as many of us hoped we might do.

Mr. Speaker, let me say this to the gentleman from Missouri [Mr. JONES], who spoke a moment ago on the floor; there is no inclination on the part of any of us on this side of the aisle, any more than there is on the other side of the aisle, to inject partisan politics into this matter. This is an economic question which affects the welfare of all the farmers of this country. I have repeatedly said so on the floor of this House. We are looking to the welfare of all the farmers of this country who today are in a price squeeze. And I should like to mention one other thing. While we are here attempting to increase the income of the farmer, tomorrow or the next day we are going to have a wage and hour bill before the House which in the end will have an adverse effect on the income of the farmer through raising the cost of his operation.

Mr. COOLEY. Mr. Speaker, I think the gentleman made the statement that the Secretary would under some circumstances control the price of corn.

Mr. ARENDS. Yes.

Mr. COOLEY. That is, under this bill. But the corn farmer does not have to participate at all. If he stays out he gives up the price support, and he can plant all the corn he wants to plant. There is nothing in the law that gives the Secretary any authority to hold down the price of that particular corn produced on that particular farm.

Mr. ARENDS. But I must say to the gentleman that we know what will happen when the Secretary has the certificates available and can throw the commodity onto the market.

Mr. COOLEY. I would not argue with the gentleman for 1 minute on that.

Mr. ARENDS. It would be indirect, of course, but he will be able to force down the price of corn in the open

market. And so any farmer not in the program would in the end have to take for his corn exactly what the Secretary wanted to see paid.

Mr. COOLEY. Only by the sale of the certificates.

Mr. ARENDS. That is right.

Mr. COOLEY. By controlling the volume of the certificates he probably could do what the gentleman has in mind. But certainly we must trust him and I believe he will not disrupt the market.

Mr. ARENDS. I would hope so, too.

Mr. COOLEY. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I have a statement which I would like to read and which I hope the Members will listen to.

Mr. Speaker, as all of us know, this bill was very controversial when it was before the House. The final vote was favorable by a very narrow margin.

The most controversial section was section 3, which has been redrafted and I think now meets with general approval. It does meet with the approval of the Secretary of Agriculture who, after all, will administer this program provided for by the bill.

I have here a statement by the Secretary of Agriculture, Orville L. Freeman:

The compromise feed grain legislation approved late last week by the Senate-House conference committee, and scheduled to come before Congress for final approval shortly, offers new hope to farmers, consumers, and taxpayers. While not precisely in line with the administration's request, the program is workable. It will encourage participation in the effort to reduce feed grain stocks, and this is a vastly important step in the effort to restore order to the feed grain-livestock economy.

Specifically, this legislation will do these things:

First, it offers to farmers who wish to cooperate an opportunity to help bring feed grain supplies more clearly in line with demand while increasing their income by some 10 percent.

Second, it will assure consumers of this Nation fair and stable prices for the meat, milk, and poultry products.

Third, it will reduce the ultimate cost of the feed grain program for the 1961 crop by some \$400-\$600 million below that which would be incurred under existing law.

Fourth, it will mark a turning point in the buildup of Government-owned feed grain stocks and start us on the way toward bringing these stocks into manageable proportions.

All of us in the Department of Agriculture are grateful to the Congress and, particularly, to the members of the House and Senate Agriculture Committees on both sides of the aisle for their diligence and long hours in working on this legislation. The farmers of the Nation have already indicated their support for this forward step, and they are appreciative, first, to the President for his prompt action in proposing such legislation, and to the Congress for their favorable consideration of that legislation.

It seems to me this is a clear indication that the Secretary of Agriculture is prepared to accept the great responsibility which will rest upon him when this law is enacted. As I said a moment ago, it is a voluntary program. It has no element of compulsion in it. If a farmer wants to participate he can par-

ticipate and receive the benefits. If he does not want to participate, he can do just as he pleases.

I should like to put another brief statement into the RECORD. This is on how the Department plans to use section 3, which is the controversial section of the bill:

1. A farmer will receive his payment in kind in the form of a negotiable certificate similar to a warehouse receipt which will be stated in terms of dollars. It will be worth so many dollars' worth of feed grains.

2. The amount of the certificate will be determined by taking 50 percent of the farmer's normal yield per acre for 1959 and 1960 (60 percent in the case of the additional 20 percent of acreage,) and multiplying this by the county support rate for corn or grain sorghums.

3. When the farmer receives the certificate, there are three things he can do with it:

(a) Take it to a CCC warehouse and cash it in for grain.

(b) Sell it to another farmer, or someone else, who wants to cash it in for grain.

(c) Turn it in to the CCC to sell for him.

4. In the event the farmer decides to turn it in to the CCC for sale, he will probably take it to the county ASC office.

From there the certificate will be sent physically to Chicago, Kansas City, or some other CCC office in contact with large grain handlers. The certificates will then be sold to grain dealers who will present them and receive feed grains for them from CCC at market price.

5. The farmer, in the meantime, will probably have received an advance from CCC of part of the value of his certificate and the balance will be paid when the certificate is sold.

The farmer is the one who will have control of the certificate. The certificate will finally be cashed in and paid in grain.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. QUIE. In the last comment you made on the intentions of the Secretary, would he pay the farmer in advance less than the value of the certificate and then the remainder be paid after the Secretary has sold the grain involved in the certificate?

Mr. COOLEY. I think the gentleman is exactly right. The gentleman was a member of the conference committee and he will recall it was thought it would be beneficial to permit the Secretary to pay at least a downpayment so to speak—an advance on the certificate.

Mr. QUIE. Then if the Secretary sold the grain for less than the support level, the farmer would receive less money for his certificate than he expected to receive; is that correct?

Mr. COOLEY. No; after the farmer parts with it and turns it over to the CCC, it is worth so many dollars to him in the grain market and whenever it goes into the grain market, the CCC would sell it at the going price in the open market.

Mr. QUIE. Then the CCC would sell enough grain to cover the value of the certificate; is that correct?

Mr. COOLEY. That is correct.

(Mr. HARVEY of Indiana asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HARVEY of Indiana. Mr. Speaker, I object to this conference report No. 170 on the feed grain bill for two major reasons.

First. It does not fix a ceiling on the price at which the Secretary, Mr. Freeman may fix the price of corn and other feed grains.

Second. It contains the acreage allotment feature which is contrary to the approach the grain and livestock farmers approve.

While of course it may get widespread participation by the farmers in 1961 and few can disagree with the Secretary's avowed aims "to raise farm income," I believe we ought to undertake the long-range farm legislation as soon as possible.

(Mr. JENSEN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. JENSEN. Mr. Speaker, I have long advocated higher supports for the six basic commodities—corn, wheat, cotton, tobacco, peanuts, and rice. This bill under consideration as adopted by the conferees provides for \$1.20 supports for corn, for example, to those farmers who reduce their historical acres by at least 20 percent which is to be paid in cash or in kind with the privilege of reducing corn acres by an additional 20 percent of which all shall be paid in kind at the rate of the 60 percent of support price and 50 percent of the support price in cash of \$1.20 per bushel, which in my studied opinion is far too little to bring about sufficient compliance to retire the necessary reduction especially in corn production. Nonetheless I shall vote for the bill mainly because I am willing to give the administrators of the law a chance to prove their contention that the law will raise farm income by 12 percent. I want to give the Secretary of Agriculture a chance to prove it, after the crops of 1961 have been harvested. In conclusion, Mr. Speaker, I must say that, had Congress last year, made law, the bill which 10 Republican Congressmen from the Grain Belt introduced including myself, and which provided for not less than 80 percent of parity for corn and all other feed grains with payment-in-kind on negotiable certificates then compliance would be great enough to reduce the necessary acres.

Mr. COOLEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. PELLY. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 231, nays 185, not voting 15, as follows:

[Roll No. 17]

YEAS—231

Abbitt	Anfuso	Bennett, Fla.
Abernethy	Ashley	Berry
Addabbo	Ashmore	Blitch
Addonizio	Aspinall	Boggs
Albert	Avery	Boland
Alexander	Bailey	Bolling
Andersen	Baring	Bonner
Minn.	Barrett	Boykin
Andrews	Bass, Tenn.	Brademas

Breeding	Holifield	O'Hara, Mich.
Brooks, Tex.	Holland	Olsen
Burke, Ky.	Holtzman	O'Neill
Burke, Mass.	Huddleston	Passman
Byrne, Pa.	Hull	Patman
Cannon	Ichord	Perkins
Carey	Ikard	Peterson
Celler	Inouye	Post
Chelf	Jarman	Philbin
Clark	Jennings	Pilcher
Coad	Jensen	Poage
Cohelan	Johnson, Calif.	Price
Colmer	Johnson, Md.	Pucinski
Cook	Johnson, Wis.	Qule
Cooley	Jones, Ala.	Rains
Corman	Jones, Mo.	Randall
Cunningham	Karsten	Reifel
Daddario	Kartha	Reuss
Daniels	Kastenmeier	Rhodes, Pa.
Davis,	Kee	Riley
James C.	Kelly	Rivers, Alaska
Davis, John W.	Keogh	Rivers, S.C.
Davis, Tenn.	Kilday	Roberts
Dawson	King, Calif.	Rodino
Denton	King, Utah	Rogers, Colo.
Diggs	Kirwan	Rogers, Tex.
Dingell	Kitchin	Rooney
Dole	Kluczynski	Roosevelt
Donohue	Kornegay	Rostenkowski
Downing	Kowalski	Rutherford
Doyle	Kyl	Ryan
Edmondson	Landrum	Santangelo
Elliot	Lane	Saund
Ellsworth	Langen	Scott
Everett	Lankford	Selden
Evins	Lennon	Shelley
Fallon	Lesinski	Sheppard
Farbstein	Libonati	ShIPLEY
Fascell	McCormack	Shipes
Finnegan	McDowell	Sikes
Flood	McFall	Sisk
Flynt	McMillan	Slack
Forrester	McSween	Smith, Iowa
Fountain	Machrowicz	Smith, Miss
Frazier	Madden	Spence
Friedel	Magnuson	Springer
Garmatz	Mahon	Steed
Gathings	Marshall	Stephens
Gialmo	Matthews	Stubblefield
Gilbert	May	Sullivan
Granahan	Miller, Clem	Taylor
Grant	Miller,	Thomas
Gray	George P.	Thompson, N.J.
Green, Oreg	Mills	Thompson, Tex.
Green, Pa.	Moeller	Thornberry
Griffiths	Monagan	Toll
Gross	Moorhead, Pa.	Trimble
Hagan, Ga.	Morgan	Ullman
Hagen, Calif.	Morrison	Vinson
Hansen	Moss	Walter
Harding	Moulder	Watts
Hardy	Multer	Weaver
Harris	Murphy	Whitener
Healey	Natcher	Whitten
Hébert	Nelsen	Wickersham
Hechler	Nix	Willis
Hemphill	O'Brien, Ill.	Yates
Henderson	O'Brien, N.Y.	Young
Hoeven	O'Hara, Ill.	Zablocki
		Zelenko

NAYS—185

Adair	Casey	Fulton
Alford	Cederberg	Garland
Alger	Chamberlain	Gary
Anderson, Ill.	Chenoweth	Gavin
Arends	Chipperfield	Glenn
Ashbrook	Church	Goodell
Auchincloss	Clancy	Goodling
Ayers	Collier	Griffin
Baker	Conte	Gubser
Baldwin	Corbett	Haley
Barry	Cramer	Halleck
Bass, N.H.	Curtin	Halpern
Bates	Curtis, Mass.	Harrison, Va.
Battlin	Curtis, Mo.	Harrison, Wyo.
Becker	Dague	Harsha
Beckworth	Dent	Harvey, Ind.
Beermann	Derounian	Harvey, Mich.
Belcher	Derwinski	Hays
Bell	Devine	Herlong
Bennett, Mich.	Dominick	Hiestand
Betts	Dooley	Hoffman, Ill.
Bolton	Dorn	Hoffman, Mich.
Bow	Dowdy	Horan
Bray	Dulski	Hosmer
Brewster	Durno	Joelson
Bromwell	Dwyer	Johansen
Brooks, La.	Feighan	Jonas
Broomfield	Fenton	Judd
Brown	Findley	Kearns
Broyhill	Fino	Keith
Bruce	Fisher	Kilburn
Burleson	Fogarty	Kilgore
Byrnes, Wis.	Ford	King, N.Y.
Cahill	Frelinghuysen	Knox

Laird	Norblad	Shriver
Latta	Nygaard	Sibal
Lindsay	Osmer	Siler
Lipscomb	Ostertag	Smith, Calif.
Loser	Pelly	Smith, Va.
McCulloch	Pike	Stafford
McIntire	Pillon	Staggers
McVey	Pirnie	Stratton
MacGregor	Poff	Taber
Mack	Ray	Teague, Calif.
Malliard	Rhodes, Ariz.	Teague, Tex.
Martin, Mass.	Riehlman	Thomson, Wis.
Martin, Nebr.	Robison	Tollefson
Mason	Rogers, Fla.	Tuck
Mathias	Roudebush	Utt
Meador	Rousselot	Vanlk
Merrrow	St. George	Van Pelt
Michel	St. Germain	Van Zandt
Miller, N.Y.	Saylor	Wallhauser
Millikin	Schadeberg	Weis
Minsall	Schenck	Westland
Montoya	Scherer	Whalley
Moore	Schneebeli	Wharton
Moorehead,	Schwelker	Widnall
Ohio	Schwengel	Williams
Morris	Scranton	Wilson, Ind.
Morse	Seely-Brown	Winstead
Murray	Short	Younger

NOT VOTING—15

Blatnik	McDonough	Rabaut
Buckley	Macdonald	Thompson, La.
Delaney	Mosher	Tupper
Gallagher	O'Konski	Wilson, Calif.
Hall	Powell	Wright

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Rabaut for, with Mr. Hall against.

Mr. Buckley for, with Mr. Wilson of California against.

Mr. Gallagher for, with Mr. McDonough against.

Mr. Delaney for, with Mr. Mosher against.

Mr. Thompson of Louisiana for, with Mr. O'Konski against.

Mr. Macdonald for, with Mr. Tupper against.

Mr. BARRY changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL EDUCATION SUBCOMMITTEE OF THE COMMITTEE ON EDUCATION AND LABOR

Mr. THOMPSON of New Jersey. Mr. Speaker, I ask unanimous consent that the General Education Subcommittee of the Committee on Education and Labor be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

EXTEND AND AMEND THE SUGAR ACT

Mr. COOLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5463) to amend and extend the Sugar Act of 1948, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective March 31, 1961, section 412 of the Sugar Act of 1948 (relating to termination of the powers of the Secretary under the Act) is amended to read: "The powers vested in the Secretary under this Act shall terminate on December 31, 1962, except that the Secre-

tary shall have power to make payments under title III under programs applicable to the crop year 1962 and previous crop years".

SEC. 2. (a) Section 4501(c) (relating to termination of taxes on sugar) of the Internal Revenue Code of 1954 is amended by striking out "September 30, 1961" in each place it appears therein and inserting in lieu thereof "June 30, 1963".

(b) Section 6412(d) (relating to refund of taxes on sugar) of the Internal Revenue Code of 1954 is amended by striking out "September 30, 1961" where it first appears therein and inserting in lieu thereof "June 30, 1963", and by striking out "September 30, 1961" where it appears therein the second time and inserting in lieu thereof "September 30, 1963".

SEC. 3. Effective March 31, 1961, section 408 of the Sugar Act of 1948, as amended (relating to suspension of quotas), is amended by striking out of subsection (b) "for the period ending March 31, 1961" and inserting "for the period ending December 31, 1962"; and by striking out of paragraph (b)(1) "for the balance of calendar year 1960 and for the three-month period ending March 31, 1961" and inserting "for the period ending December 31, 1962"; and by inserting immediately before the colon in subparagraph (2)(iii) of subsection (b) a semicolon and the words "except that any amount which would be purchased from any country with which the United States is not in diplomatic relations need not be purchased" and by inserting in the "provided" clause a comma after the phrase "additional amounts of sugar" and inserting immediately thereafter the phrase "including any amounts which would otherwise be purchased from any such country with which the United States is not in diplomatic relations,"; and by striking out the semicolon at the end of subparagraph (b)(2)(iii) and inserting "except that consideration shall be given to countries of the Western Hemisphere and to those countries purchasing United States agricultural commodities,".

The SPEAKER. Is a second demanded?

Mr. HOEVEN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. COOLEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, certainly within the time now available to me it will not be possible to discuss in detail or with any satisfaction the sugar program as we have known it and as it has operated through all the years. I do want to say, however, that after many, many conferences, after hearings with the Secretary of State, and after several executive sessions, our committee decided to recommend to you the passage of the bill which is now before you, providing only for a 21-month extension of the Sugar Act. Unless this bill is enacted, the sugar program would expire at midnight on March 31, 1961. If that should happen, chaos would prevail in the sugar markets of America and perhaps in the sugar markets of the world. Many people engaged in the sugar industry would probably face bankruptcy and ruin because their inventories are now built up on sugar based upon the prevailing price in our domestic market which is, as you know, substantially above world market levels.

To the end that you might have an understanding as to the support which this bill has, I call your attention to a

letter I have. After conferences were held by the representatives of the sugar industry from the Hawaiian Islands to Puerto Rico and all of the sugar areas of our mainland, I received on February 9, 1961 this letter, which I should like to read to you:

DEAR MR. CONGRESSMAN: This is a confirmation of our telephone conversation of last week.

All segments of the domestic sugar industry will heartily support your efforts promptly to obtain an extension of the Sugar Act for a period up to 21 months.

The industry believes, however, that a short-term extension of the Sugar Act should not delay an effort also to obtain long-range legislation at this session of Congress. It is our understanding that you concur in this view.

In the past, the industry has not felt qualified to pass upon any emergency Presidential power affecting the Dominican Republic which may be required in any extension of the act; nor does it now.

As you know the act expires on March 31 of this year. All who know the requirements of consumers of this country, whether by way of household packages or industrial products, know that the national sugar policy embodied in the Sugar Act should be extended by law well before this March 31 deadline.

We deeply appreciate the consideration which you and your colleagues on the committee have given to the problems of our industry.

Very sincerely yours,

For the Puerto Rican Sugar Producing Industry: Dudley Smith, Vice President, Association of Sugar Producers of Puerto Rico; for the Hawaiian Sugar Producing Industry: Sanford L. Platt, Vice President, Hawaiian Sugar Planters' Association; for the Louisiana and Florida Sugar Producing Industry: Josiah Ferris, Washington Representative; for the U.S. Cane Sugar Refining Industry: Irvin A. Hoff, Executive Director, U.S. Cane Sugar Refiners' Association; for the Domestic Beet Sugar Producing Industry: Loren S. Armbruster, Secretary, Farmers & Manufacturers Beet Sugar Association, Saginaw, Mich.; Richard W. Blake, Executive Secretary, National Beet Growers Federation, Greeley, Colo.; Gordon Lyons, Executive Manager, California Beet Growers Association, Ltd., Stockton, Calif.; E. W. Rising, Executive Vice President, Western Sugar Beet Growers Association, Washington, D.C.; Merrill E. Shoup, President, Holly Sugar Corp., Colorado Springs, Colo.; A. E. Benning, Executive Vice President and General Manager, the Amalgamated Sugar Co., Ogden, Utah; Frank A. Kemp, President, the Great Western Sugar Co., Denver, Colo.; Robert H. Shields, President and General Counsel, U.S. Beet Sugar Association, Washington, D.C.

In addition to these representatives of the domestic sugar industry, I have a letter dated February 20, 1961, signed by Mr. Joseph M. Creed for and on behalf of the industrial sugar users group.

Without reading the letter, which I will insert in the RECORD, I need only to tell you that these industrial users also agree to this 21-month extension and say they have no objection to it under the circumstances, and that they would urge prompt action on any such extension.

The letter is as follows:

AMERICAN BANKERS ASSOCIATION,
February 20, 1961.

HON. HAROLD D. COOLEY,
Chairman, House Agriculture Committee,
U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN COOLEY: The Industrial Sugar Users Group believes that your proposed extension of existing sugar legislation for a 21-month period through December 31, 1962, is a practical solution for a temporary disposition of sugar legislation.

We recognize that time is not available to develop a long range legislative sugar program prior to the expiration of the present Law on March 31.

The proposed 21-month extension is not objectionable under the circumstances and we would urge prompt action on such an extension.

We are hopeful that the House Agriculture Committee will also move promptly to develop a long range sugar program to supersede the temporary extension.

With kind personal regards.

Sincerely,

JOSEPH M. CREED,
For and on behalf of the Industrial
Sugar Users Group.

The following is a letter endorsing this legislation:

PHILIPPINE SUGAR ASSOCIATION
Washington, D.C., February 15, 1961.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
U.S. House of Representatives,
Washington, D.C.

MY DEAR MR. CHAIRMAN: I have read with interest the subject bill introduced by you on February 2, 1961.

The purpose of this note is to advise you that the Philippine sugar industry endorses this legislation wholeheartedly.

With personal regards and best wishes.

Sincerely yours,

JOHN A. O'DONNELL.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Oklahoma.

Mr. ALBERT. The gentleman does know in the beet sugar growing area there is a lot of opposition to extending this act for a period of 21 months, and that there is no provision in this legislation for new American growers to participate so that mills can be built in those areas. Is that not an accurate statement?

Mr. COOLEY. I would like for all the people who are interested in expanding the production of sugar on the mainland of America to know there is nothing that will prevent any farmer from growing all of the sugar beets he wants to grow during the year 1961, and probably there will be no restrictions placed on his efforts in 1962.

Mr. ALBERT. That is not answering the question. The answer to the question is—you are not going to get a mill on the basis of what they can plant.

Mr. COOLEY. You are not ever going to get a mill based on Federal legislation because the Federal Government never in the history of the Republic has built a sugar mill.

Mr. ALBERT. No.

Mr. COOLEY. The only thing they can do is to make the acreage available to new areas and new growers. All this

acreage is now available to the new areas and to the new growers. What else do you want?

Mr. ALBERT. But, they cannot depend on it—that is the whole point.

Mr. COOLEY. How can you ever depend on it? What is a new grower and what is a new area? Now you are not talking about new growers and new areas, you are talking about small growers and small growing areas. I have assured the gentlemen who are interested, and I am in sympathy with their problem, that probably early in May, just as soon as we can clear our decks in the Committee on Agriculture, we will start hearings and I will give them the very first opportunity to be heard. But there is no way by Federal law to guarantee to any area that a sugar mill will be built.

Mr. ROGERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. I hope the gentleman from North Carolina will explain to the House his statement that anybody can plant as many sugar beets as he wants to does not mean anything. Is it not a fact that 45 percent of our sugar is brought in here from foreign countries and that 3 million tons formerly assigned to Cuba will all go to other foreign countries. American farmers are denied participation.

Mr. COOLEY. The growth provision provides 45 percent.

Mr. ROGERS of Texas. 45 percent of our domestic requirements come from foreign countries; is that not correct?

Mr. COOLEY. No, I do not think it is as much as 45 percent.

Mr. ROGERS of Texas. Well, how much is it? The record shows 45 percent. Surely the gentleman knows the answer to my question.

Mr. COOLEY. I am not arguing about the new grower provision. If you are not satisfied with the assurances given you that we will start the hearings early in May, you know what the situation is as well as I do.

Mr. ROGERS of Texas. Now the gentleman can tell how much sugar is imported from foreign countries into this country. Why will he not do it? Why are the facts being hidden from the American public?

Mr. COOLEY. We have about 9 or 10 million tons' consumption, and I do not know just exactly how much was imported. I believe about 55 percent is from domestic sources but what difference does it make?

Mr. ROGERS of Texas. It makes this difference. The American farmer is being required to foot the bill for foreign aid, yet he is denied the right to grow non-surplus crops, being produced by those countries.

Mr. COOLEY. What difference does it make?

Mr. ROGERS of Texas. The fact of the matter is that 3 million tons of the Cuban quota is being handed over to other foreign nations, and the American farmer is being denied the opportunity to produce even 1 pound more. A giant

Carroll
Case, N.J.
Church
Clark
Cooper
Cotton
Douglas
Dworshak
Ellender
Engle
Ervin
Fong
Fulbright
Gore
Gruening
Hart
Hartke
Hayden
Hickenlooper
Hickey

Hill
Humphrey
Jackson
Javits
Johnston
Jordan
Keating
Kefauver
Kuchel
Long, Mo.
Long, Hawaii
Long, La.
Magnuson
Mansfield
McCarthy
McGee
Metcalf
Miller
Morse
Moss

Muskie
Neuberger
Pastore
Pell
Proxmire
Schoeppel
Scott
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Wiley
Williams, N.J.
Yarborough
Young, N. Dak.
Young, Ohio

NAYS—13

Bennett
Bush
Butler
Dirksen
Holland

Kerr
Lausche
McClellan
Robertson
Russell

Saltonstall
Thurmond
Williams, Del.

NOT VOTING—20

Alken
Allott
Blakley
Bridges
Burdick
Byrd, Va.
Case, S. Dak.

Chavez
Curtis
Dodd
Eastland
Goldwater
Hruska
McNamara

Monroney
Morton
Mundt
Prouty
Randolph
Smathers

So the bill (S. 205) was passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MAGNUSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FEED GRAINS PROGRAM, 1961— CONFERENCE REPORT

Mr. ELLENDER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4510) to provide a special program for feed grains for 1961. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Mar. 20, 1961, pp. 4041-4042, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

ORDER OF BUSINESS

Mr. PASTORE. Mr. President—

The PRESIDING OFFICER. The Chair recognizes the Senator from Rhode Island.

Mr. DIRKSEN. Mr. President, will the Senator from Rhode Island yield for an inquiry?

Mr. PASTORE. I yield.

Mr. DIRKSEN. The conference report on the feed grains bill was just laid before the Senate. I am under the impression that the distinguished Senator from Rhode Island is to discuss another subject matter besides the feed grains conference report. Am I correct?

Mr. PASTORE. The Senator is correct. The Senator from Rhode Island

is willing to yield in the event there is no opposition to the report, but I have been waiting since 1:30 to make this speech.

Mr. DIRKSEN. I am afraid there will be some opposition, and I have been marshaling Senators who are interested in the conference report to be on hand. It was only for the purpose of having time to bring them here that I spoke.

Mr. PASTORE. I realize that. I thank the Senator.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. ELLENDER. How long will the Senator take?

Mr. PASTORE. I do not suppose it will take more than half an hour, but I understand other Senators intend to speak on the substance of the subject matter. The subject is textiles.

Mr. ELLENDER. I would like to get the conference report acted on as soon as possible. The House has acted on the feed grains conference report, and I am very anxious to get the bill on the President's desk today, if I can.

Mr. PASTORE. I should not think we would take more than an hour or an hour and a half, all told, because in this particular case it is not the quantity, it is the quality, that will count. [Laughter.]

Mr. DIRKSEN. Mr. President, will the Senator yield for one other inquiry?

Mr. PASTORE. I yield.

Mr. DIRKSEN. I wonder if the Senator from Louisiana [Mr. ELLENDER] wishes to have the yeas and nays on the conference report.

Mr. ELLENDER. I do not ask for the yeas and nays.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from Rhode Island yield for that purpose?

Mr. PASTORE. Yes; without losing my rights to the floor.

The PRESIDING OFFICER. The yeas and nays have been requested.

The yeas and nays were ordered.

SUPPLEMENTARY REPORT CONCERNING PROBLEMS OF THE DOMESTIC TEXTILE INDUSTRY

Mr. PASTORE. Mr. President, 2 years ago I rose in this body to discuss the findings of our first investigation of the problems of the domestic textile industry. At that time I pointed out that the domestic textile industry had been declining for a decade. While the impact on different segments of the industry was uneven, only one—that producing the newer manmade fiber fabrics—had registered a gain in production.

There had been a sharp drop in equipment in place, and a very substantial decline of 24 percent in textile employment. Hundreds of mills had been liquidated. And many thousands of textile workers were prematurely displaced from the labor force. Some of the displaced textile workers, to be sure, found new jobs. But a distressingly large percentage were unable to find continuous employment again.

Textile wages had been lagging behind other earnings in this country. And this was not due to failure of the textile industry to increase its productivity. Indeed, productivity in the textile industry had increased much more rapidly than in manufacturing industry generally.

I also noted then that, while the domestic textile industry was declining, imports had been rising during the 10-year period covering our survey.

We noted in our first report that rising imports could not be singled out as the sole cause of the contraction of the textile industry.

Many jobs in this industry were eliminated by technological change. But it was our conclusion, after review of all trends, that rising imports pose a threat to the future stability of the domestic textile industry, and that unless the rate at which imports entered the country was controlled there would be a further damage to the industry.

In February of this year the textile subcommittee held another set of hearings to bring the record up to date. Briefly stated, we found that the trends of the past decade have been continuing and in some cases have been accelerated.

Textile sales have continued to rise more slowly than the sale of manufactured products in general. Consumers continue to spend a declining share of their total consumption expenditures on clothing.

We also found that textile production rose modestly in 1959—a year of cyclical revival. But there was a sharp drop in 1960. Imports, however, increased substantially in both years.

There has been a further decline in textile machinery in place since 1957, and despite this contraction of machinery in place, that which remains is not utilized to full capacity.

Employment in the textile industry has continued to drop. Since 1957, there has been an additional decline of about 7.5 percent in the number of textile jobs in this country. The loss of jobs has varied from region to region, but all regions where textile-mill products are made have experienced some decline in employment.

As conditions worsened, more and more textile mills closed their doors. From 1947 through 1957, a total of 710 textile mills were liquidated in this country. These mills had formerly employed about 196,000 workers. From 1957 through 1960, an additional 128 mills closed their doors, displacing approximately 33,000 more workers.

Although the cost of living, as measured by the Bureau of Labor Statistics, has gone up about 28 percent since the base period 1947-49 textile prices have dropped almost 10 percent. As a consequence, mill margins—that is, the difference between the price of raw material and that of its approximate cost equivalent—have narrowed, and profit rates have remained very low.

In our first report we pointed out the anomaly of the two-price cotton system. Because of our agricultural price-support program, the price of domestically grown cotton is higher in this country than in the world at large. This adds

to the competitive disadvantage of American mills which would be unable, under the best conditions, to meet the cost of production of foreign competitors given the wide spread in wages between underprivileged countries and the United States.

Unfortunately, the situation has not been altered since then. Indeed, the latest development has been an increase in cotton price support. Unless some offsetting action is taken, this will place American mills at a further competitive disadvantage.

In spite of contraction in the industry, the downward pressure on textile prices, and shrinking profit margins, the domestic textile industry has made an effort to improve its efficiency by spending large sums on new equipment.

The textile industries of other nations have not been standing still, however. Indeed, since many textile mills in other countries have been built since the end of World War II, their machinery, on the average, is newer than ours. Ten years ago the U.S. textile industry enjoyed a considerable advantage in productivity over competing foreign nations. But the productivity gap has been narrowing steadily.

We cannot assume, as many evidently do, that higher production costs in this country are offset by greater productivity. This was partly true at one time, but it is no longer so. The textile industries of other nations have rapidly increased their productivity, and their costs—especially labor costs—continue to lag far behind those in this country. I wish to emphasize that this is not because textile wages in the United States have increased too fast. In our first investigation we found the textile earnings lagged behind those of other manufacturing workers.

And the gap has been widened even more since then. Three years ago textile earnings, on the average, were 15 percent below those of manufacturing workers in general. By the end of last year, this gap had widened to 30 percent.

I repeat, Mr. President: The gap today between earnings of textile workers and earnings of workers in other manufacturing industries is 30 percent. While textile wages in the United States are high, relative to those of other countries, they are low—quite low, indeed—relative to the wages earned by other manufacturing workers in the United States.

The major change in the textile situation since our first report was issued has been in the international market. Textile exports have continued to decline, while imports have gone up substantially. In 1954, for example, textile imports amounted to about 73 percent of textile exports. By the end of last year, however, textile imports amounted to 170 percent of textile exports.

While there has been a fairly uniform drop in textile exports, we find that there have been substantial increases in imports of virtually all categories of textile-mill products. Since 1958, imports of cotton cloth and madeup goods have gone up more than 130 percent. Wool imports have gone up 107 percent, and

manmade fiber fabric imports have increased more than a hundred percent.

There have been somewhat smaller, but still substantial, percentage increases in imports of Wilton and velvet carpets, up 60 percent; and silk goods, in respect to which imports have gone up 35 percent. In brief, there has been an across-the-board increase in textile imports, but imports of some categories of fabrics have increased more rapidly than others.

There has also been a substantial shift in the source of imports in recent years.

Five years ago Japan was the principal exporter of many kinds of textile products to the United States. But in 1956 the Japanese textile industry agreed to limit its shipments to this country under a voluntary arrangement.

The limitation was originally 235 million square yards of cloth. Only a year or so ago, by negotiation, it was increased to 246 million square yards. It was thought at that time that this would ease the impact of textile imports on the domestic industry. Unfortunately, as the figures I have just given clearly reveal that this hope was not realized. All that has happened is a shift in the source of imports.

When Japan announced that it would voluntarily limit its shipments of cotton cloth to the United States, other nations which had formerly exported only modest quantities of this product stepped up their production for export purposes. As a consequence, Japan's share of our market has been cut at a time when total imports were rising strongly. In 1958, for example, Japan accounted for 60 percent of our cotton goods imports. By the end of last year, its share had dropped to 28 percent.

The point I wish to make—and I make it emphatically at this juncture—is that Japan is not sending less to the United States. Japan is sending as much and perhaps more, but Japan's percentage of the U.S. market has dropped from 60 percent to 28 percent. If Senators analyze those two percentage figures, they will come to the conclusion that other countries have increased production and are sending much more to the United States.

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. PASTORE. I yield.

Mr. BUSH. I presume it is a fact that the arrangement made with Japan was on a voluntary unilateral basis, and other countries were not included in the arrangement at all. Is that correct?

Mr. PASTORE. That is correct. I am accentuating the fact that U.S. imports have been increasing since the unilateral agreement with Japan. Japan had 60 percent of the U.S. market, and in fact limited her own exports to the United States. However, today, even though Japan is shipping the same amount and quantity of cloth to the U.S. market, the percentage is quite different. Japan now controls only 28 percent of the U.S. market, instead of 60 percent, because other countries have entered the market.

Mr. BUSH. If the Senator will yield further, this would indicate that U.S. imports have really doubled, compared

to 5 years ago, measured by the Japanese shipments to the United States.

Mr. PASTORE. They have gone up 250 percent.

Mr. JAVITS. Mr. President, will the Senator yield for another question?

Mr. PASTORE. I yield.

Mr. JAVITS. I hope the Senator, in the course of his important task, will also develop the situation of textile exports, because the classic problem which assails people in New York, such as myself, is that we have both kinds of business, and that the opportunities for exports today are probably greater than ever. Various factors, such as the balance of international payments, and so forth, lead to the need for an export drive. Therefore, I think we ought to have—and the Senator from Rhode Island has performed a great amount of work on the subject—not only a general picture, but also a composite picture, which the rest of us can discuss. From the Senator's specialized knowledge, perhaps as he goes along he might tell us what has happened to textile exports.

Mr. PASTORE. I cannot give the figure as of today, but when we investigated the subject in 1959 we found that whereas prior to the last 10-year period about which we are talking our exports were 15 percent of our total production, the figure had dropped from 15 percent to 5 percent, and it is dropping every day.

The notion that as a result of our technology and productivity we can compete with our friends abroad is a fallacy in the textile industry, for the simple reason that their technology is as good as ours and their machinery is newer than ours. It is as simple as that.

If we compare wages, for example, of 30 cents an hour in France, 20 cents an hour in Italy, and 10 or 15 cents an hour in Japan or Hong Kong against \$1.50 to \$2 in the United States for the same type and quality of goods made by the same kind of machine and by ten fingers of two hands, we find that we cannot compete. The situation is as simple as that.

Mr. JAVITS. Before the Senator concludes perhaps he can develop some facts and figures on the export-import picture. I shall not interrupt the Senator further at this time.

Mr. PASTORE. I refer the Senator to the committee report in which certain tables are printed. I will come to that subject in a short while.

Meanwhile, imports from Hong Kong, which had amounted to 14 percent in 1958, jumped to 27 percent by 1960. And there were even larger percentage increases in the case of other nations such as Portugal, Spain, Egypt, and France. These four countries combined accounted for only 1 percent of our cotton goods imports in 1958. By 1960, their shipments amounted to 23 percent of the total, which presents another glaring example of the astronomical rise in the imports of textile goods.

Other countries stepped up their shipments to us when Japan voluntarily curtailed her exports of cotton cloth. In 1958, Formosa, Pakistan, Korea, and India collectively accounted for only 2 percent of our imports. But this share increased to 11 percent by 1960.

At the time we thought that flexible quotas would be a reasonable approach to this difficult problem. But while there was a good deal of lipservice paid to this recommendation, nothing came of it.

After carefully reviewing the events of the past 3 years, the textile subcommittee reached the conclusion that positive action must be taken. To us it appears that the more orderly procedure of instituting quotas on textile mill products, by category, and by country, is far more desirable and in the long run better for all concerned, than the action of individual unions or others who might impose boycotts. Let us be clear on one thing, however, if our Government does not take reasonable steps to insure an orderly solution to this problem others will take it into their own hands, and the consequences of this could be unfortunate, indeed.

We have not spelled out in detail how we think these quotas should be determined, nor have we gone into the question of who should administer them. We have ideas on these things, of course, and these will be advanced at the appropriate time. Our first step has been to present the facts.

This has been done in our supplementary report, and some of them I have summarized today. To us it appears that we are rapidly approaching a turning point—a decision must be made.

Opponents of any form of regulation point out that we still import something less than 8 percent of total domestic production. But these are the same persons who a little more than 2 years ago were pointing out that imports amounted to less than 3 percent of domestic production. How high does this percentage have to go before there is recognition that imports are cutting down on employment in this country?

What we would like to stress is that the rate of imports is accelerating. The increase of the past 2 or 3 years has been more rapid than that of the 10 preceding years. It is this long-term trend which concerns us. It is not so much the present volume of imports.

If there is to be no further increase, the domestic textile and apparel industries could adjust to the present situation. All the evidence indicates that there will be further rapid increases unless we are willing to take action.

I would like to stress that we are not proposing to maintain the status quo. We recognize the economic interdependence of nations, and we accept the view that international trade must expand, not contract. We do feel, however, that the rate of expansion is important, and that we will be doing no one a favor if we permit imports to increase more rapidly than we are able to absorb them through the natural growth of our markets.

It is our sincere hope that the President's Cabinet Committee on Textiles, which was set up on the informal recommendation of our subcommittee, will agree with our view that flexible quotas will provide an orderly solution to the textile import problem. We see no other approach which can achieve this end.

We did not, of course, limit our investigation to the import problem. We recognize that there are other problems facing the domestic textile industry. We have repeated our recommendation made in the first report that the Internal Revenue Service revise its depreciation schedules as rapidly as possible. We urge again that the anomaly of a two-price system for cotton be eliminated as quickly as possible. We strongly support a program of textile research, and have recommended that an annual appropriation be made to the Textile and Clothing Division of the U.S. Department of Commerce to expand its program of data collection and research. All of these recommendations are important. But the key recommendation is the one deal-

ing with the imposition of flexible quotas on textile-mill products. If this is not done, if the industry continues to shrink, then the supporting recommendations will lose some of their force.

We feel that it is time for a careful re-examination of our entire approach to international economic policy. Many of us have been strong supporters of the reciprocal trade program. But things have not worked out exactly as many thought they would when this program was initiated. Our policy has been one of across-the-board liberalization of trade. But we also have the no-damage rule. The question which concerns some of us is: Can we have both?

We recognize that our recommendation for quotas will not be well received in all quarters. But I would urge all members of the Senate to give it careful consideration. We cannot continue to debate this issue indefinitely while the affected industries continue to shrink, or until the workers in these industries decide to take matters in their own hands and to solve the import problem by boycotts. We feel that a reasonable and workable solution exists, and that an orderly approach to the problem of rising imports is both necessary and urgent.

Mr. SALTONSTALL and Mr. THURMOND addressed the Chair.

Mr. JAVITS. I yield further to my colleague from Massachusetts.

Mr. SALTONSTALL. Mr. President, I join many other Senators in commending the Senator from Rhode Island for the great effort he has made as chairman of the subcommittee in dealing with this subject. As one who has worked with respect to the textile problems in New England for all the years he has been in the Senate, I know that we must take action on the national level and on the international level in order to straighten out the problems.

In New England today, as the Senator has very well stated, the industry is re-investing its money in the business, to obtain new machines and to modernize. Profits are being rolled back into business in this effort, and as a result there is a lack of money or resources to do the necessary research to work out the new problems which are constantly arising.

I agree with the Senator from New York [Mr. JAVITS], the Senator from Rhode Island [Mr. PASTORE], and the Senator from West Virginia [Mr. RANDOLPH] in respect to the international aspects of trade. As one who has always supported reciprocal trade, even before service in this body, I believe in reciprocal trade, but I also believe we can have reciprocal trade only if we make an effort to maintain our own industries, which we need in the United States for our own welfare and for our constant daily living. We must make it possible for industry to continue in its efforts. That can be done only if there can be operation at a profit, with modern machinery, and wages to employees comparable to wages in other industries in this country.

This is the great problem which faces us, as the Senator from Rhode Island has said. We must solve our problems in the 1960's, in a manner to maintain our trade and build up our international relations, while at the same time making it possible for our citizens to receive good wages and for our industries to earn reasonable profits.

Mr. JAVITS. Mr. President, I wish to make one observation, in fairness to the very fine discussion which has taken place.

I say to my colleague from Rhode Island, [Mr. PASTORE] that, as always, he is at his best when we get into the actual give and take of debate. One point, however, should be made. The Senator from Rhode Island spoke of international action. International action, I think, is a very fruitful area to explore. I hope very much, considering the great prestige of the subcommittee, such action may be taken.

In the heat of debate the Senator spoke of all the nations producing textiles for export sitting down together to do something about the problem. This approach has been followed with respect to other commodities. It has been followed with respect to tin, for example. It is not at all beyond the realm of possibility in this field.

There is another thing we could do, which is to bring some pressure to bear, which I think is more than justified, through the International Labor Organization and through other means, to do something about the substandard wages which are paid in many competing countries, even with respect to the standards of those countries themselves, to say nothing of any international standards.

A third thing which could be done is to moderate somewhat the flow of imports into our country by voluntary agreements. We have had a voluntary agreement with the Japanese. There is no reason why we could not obtain voluntary agreements with other countries.

Each of these items is important. The Senator from Arizona [Mr. GOLDWATER] and the Senator from Massachusetts [Mr. SALTONSTALL] both made suggestions with respect to the need for urgently, and on a high priority basis, considering a better depreciation policy, to enable industry to mechanize faster.

Mr. PASTORE. We recommend that in our committee report.

Mr. JAVITS. Yes. I am simply pointing out the different areas of activity.

I also recommended today something I strongly urge upon my colleagues for consideration, with respect to the problem of the bedrock situation which cannot be assisted in any other way. In fairness to the consumers, who are bound to be affected by any quota or tariff, there should be recourse to some governmental program and some adjustment assistance, to take care of the bedrock cases without causing distress. In that way we give ourselves a better opportunity to deal with the problem, in my opinion, more equitably.

That is the range of suggestions which I hope very much may be of assistance in our thinking upon this problem, which is one of the vexing problems in international trade.

Mr. THURMOND rose.

Mr. JAVITS. Mr. President, I now yield to my colleague from South Carolina.

Mr. THURMOND. Mr. President, I thank the Senator from New York. I invite the attention of Senators to the fact that import quotas constitute only one of the five recommendations which were made. We think it is the most important.

The second recommendation was with respect to the continuation and expansion of the program of data collection and research.

The third recommendation was the one mentioned a moment ago, a more realistic depreciation rate on equipment and machinery.

The fourth recommendation was to increase research.

The fifth recommendation is the elimination of the two-price cotton system.

All these suggestions, I believe, have been discussed during the afternoon. There is no use in our going into further detail. The point is that the report does not hinge on any one of the recommendations, but recommends all five of the items, which we feel are important. We think the greater emphasis should be placed on the first; that is, the flexible import quotas.

If the Senator has time to read the testimony which was taken in February, I believe he will concur, and that his conclusion will probably be the same as ours after that.

Mr. JAVITS. I thank my colleague. Of course, I have seen the other recommendations. They are entitled to the greatest of respect. It seems to me at the very least those recommendations ought to be implemented.

In the debate my colleague now understands the point, I believe, I wished to get over, which is, first, that we cannot insulate this problem from the general trade problem; and, second, that there are many forms of action possible to be taken, some of which have not been dealt with in the report, which are well worthy of our consideration, in a sense to take the heat off us, in terms of what might prove to be really inimical to our total trade position.

Mr. President, I yield the floor.

LEGISLATIVE PROGRAM

During the delivery of Mr. PASTORE's speech:

Mr. MANSFIELD. Mr. President, after consultation with the distinguished minority leader and other interested Senators, I submit a proposed unanimous-consent agreement and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will read the proposed unanimous-consent agreement.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on March 22, 1961, at the conclusion of routine morning business, during the further consideration of the conference report on the bill (H.R. 4510) to provide a special program for feed grains for 1961, debate thereon be limited to 1½ hours, to be equally divided and controlled by the majority and minority leaders.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the agreement is entered.

Mr. MANSFIELD. Mr. President, I submit a further proposed unanimous-consent agreement, this one dealing with the conference report on unemployment benefits, and ask that it be read.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be read.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered further, That, effective after the disposition of the conference report on H.R. 4510, the Senate proceed to consider the conference report on the bill (H.R. 4806) the Temporary Extended Unemployment Compensation Act of 1961, if, in the meantime, the conference report has been approved by the House and received in the Senate, and that debate thereon be limited to 1 hour, to be equally divided and controlled by the majority and minority leaders.

The PRESIDING OFFICER. Is there objection?

Mr. WILLIAMS of Delaware. Mr. President, reserving the right to object, and I shall not object, I shall want some time to speak in connection with the conference report. I recognize the futility of trying to defeat the conference report; nevertheless, I desire an opportunity to call the attention of the Senate to the fact that if the Senate adopts the conference report it will be authorizing the expenditure of \$1 billion in benefits to the unemployed covered by the bill, yet under the bill there is no provision whatever to finance any of the costs. There is a delayed tax increase supposedly to pay for the \$1 billion in benefits; however, this tax increase will not become effective until 60 days after the 1962 elections whereas the \$1 billion in benefits will all have been disbursed by June 30, 1962, or 4 months before the election.

It is the height of fiscal irresponsibility for the new administration as they launch the New Frontier, to say to the unemployed, "We shall give you \$1 billion in benefits, but we will not tax anybody anything until after the 1962 elections." This seems to be the pattern of many of the bills which are being sent to Congress by the White House.

I simply wish to have sufficient time to call the attention of the Senate to this fact. If I can be assured that I will have such time during the discussion, I shall have no objection to the proposed unanimous-consent agreement.

Mr. MANSFIELD. Mr. President, I shall be most happy to yield as much time to the Senator from Delaware as I possibly can from this side of the aisle.

Mr. DIRKSEN. And I shall be more than generous to my friend from Delaware.

Mr. WILLIAMS of Delaware. All right. With that understanding I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement? The Chair hears none, and the agreement is entered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that this colloquy come at the end of the discussion on the textile industry.

The PRESIDING OFFICER. With-out objection, it is so ordered.

Mr. MANSFIELD. Mr. President, the distinguished Senator from Rhode Island anticipated me, because I would not want the most interesting colloquy which is taking place this afternoon on a very vital subject interrupted by two unanimous-consent requests.

I thank the Senator from Rhode Island and other Senators for their generosity, and I am grateful to the distinguished minority leader for his understanding of the difficulty which confronts us.

I announce to the Senate that there will be no more votes today; but be on hand tomorrow.

ADJOURNMENT

Mr. RANDOLPH. Mr. President, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 35 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, March 22, 1961, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 21, 1961:

DEPARTMENT OF STATE

Walter P. McConaughy, of Alabama, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State.

DIPLOMATIC AND FOREIGN SERVICE

William Attwood, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea.

Walworth Barbour, of Massachusetts, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Israel.

Anthony J. Drexel Biddle, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Spain.

William McCormick Blair, Jr., of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Denmark.

Aaron S. Brown, of New Hampshire, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Nicaragua.

J. Kenneth Galbraith, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to India.

G. Frederick Reinhardt, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Italy.

Edwin O. Reischauer, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan.

John S. Rice, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of the Netherlands.

Edward G. Stockdale, of Florida, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ireland.

Raymond Telles, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Costa Rica.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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87th-1st, No. 50

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HIGHLIGHTS: President approved feed grains bill. Senate agreed to conference report on feed grains bill. House committee reported depressed areas bill. Both Houses received President's foreign aid message. House committee voted to report bill to extend Reorganization Act.

SENATE

1. FEED GRAINS. By a vote of 50 to 31, agreed to the conference report on H. R. 4510, to provide a special program for feed grains for 1961 (pp. 4226-38). See Digest 48 for a summary of the bill. This bill will now be sent to the President.
2. FOREIGN AID. Both Houses received the President's foreign aid message (H. Doc. 117) (pp. 4193-9, 4276-9). Following are excerpts from the message:

"If our foreign aid funds are to be prudently and effectively used, we need a whole new set of basic concepts and principles:

"1. Unified administration and operation: A single agency in Washington and the field, equipped with a flexible set of tools, in place of several competing and confusing aid units.

"2. Country plans: A carefully thought through program tailored to meet the needs and the resource potential of each individual country, instead of

a series of individual, unrelated projects. Frequently, in the past, our development goals and projects have not been undertaken as integral steps in a long-range economic development program.

"3. Long-term planning and financing: The only way to make meaningful and economical commitments.

"4. Special emphasis on development loans repayable in dollars, more conducive to businesslike relations and mutual respect than sustaining grants or loans repaid in local currencies, although some instances of the latter are unavoidable.

"5. Special attention to those nations most willing and able to mobilize their own resources, make necessary social and economic reforms, engage in long-range planning, and make the other efforts necessary if these are to reach the stage of self-sustaining growth.

"6. Multilateral approach: A program and level of commitments designed to encourage and complement an increased effort by other industrialized nations.

"7. A new agency with new personnel, drawing upon the most competent and dedicated career servants now in the field, and attracting the highest quality from every part of the Nation.

"8. Separation from military assistance: Our program of aid to social and economic development must be seen on its own merits, and judged in the light of its vital and distinctive contribution to our basic security needs. ***

"I propose that our separate and often confusing aid programs be integrated into a single administration embracing the present Washington and field operations of --

"A. The International Cooperation Administration (ICA) and all its technical assistance (point 4) and other programs.

"B. The Development Loan Fund (DLF).

"C. The food-for-peace program (Public Law 480) in its relations with other countries, while also recognizing its essential role in our farm economy.

"D. The local currency lending activities of the Export-Import Bank.

"E. The Peace Corps, recognizing its distinctive contribution beyond the area of economic development.

"F. The donation of nonagricultural surpluses from other national stock piles of excess commodities or equipment.

"G. All other related staff and program services now provided by the Department of State as well as ICA. ***

"Under the jurisdiction of both the Secretary of State in Washington and the Ambassadors in the field, foreign aid can more effectively play its part as an effective instrument of our overall efforts for world peace and security. The concentration of responsibilities and increased status will both require and attract high-caliber personnel. Programs such as the Peace Corps and food for peace, far from being submerged, will be used more effectively and their distinctive identity and appeal preserved -- and food for peace will continue to be based on availabilities determined by the Department of Agriculture.

"But I am not proposing merely a reshuffling and relabeling of old agencies and their personnel, without regard to their competence. I am recommending the replacement of these agencies with a new one -- a fresh start under new leadership. ***

"To meet the varied needs of many nations the new aid administration will have a flexible set of tools, coordinated and shaped to fit each national development program: the grant or sale -- for either local currency or dollars with special repayment terms -- of surplus foods,

even some segments of organized labor have come out against parts of it.

The law now calls for \$1 per hour. Kennedy wants an immediate raise to \$1.15, and further raises in the next 2 years.

On the surface, this is the type of bill anyone could be for. In a nation so rich how could anyone oppose paying \$1.15 per hour? In principle, possibly no one is opposed to doing so, but closer examination reveals the shortcomings of such legislation.

If this bill becomes law many small businesses, now operating on small profit margins, may be forced to close. Make an owner pay this increase, even if he has, only a few workers, and his overhead goes up that much. To stay afloat he may have to discharge workers.

It is true that the immediate effect of such a bill is to put more money into circulation, but some economists argue that this means nothing unless there is a corresponding increase in the production of goods. Where would there be such a goods increase here?

Many States already have laws calling for higher minimum wages for various types of work. Some are based on the theory that a garage employee, for example, is worth more than a laundryworker. If such a law is enacted and a lesser skilled worker is brought up to the level of a higher skilled worker in the same plant, the latter, naturally is going to want a raise also, if for no other reason than to keep him ahead of a man with lesser skills.

A basic argument against any sort of Federal wage legislation lies in the States rights principle. States are far better able to perform this wage function (and many others) for its own residents than the Central Government.

In a word, passage of this bill will directly benefit those underpaid workers who are working, but what about those who may lose their jobs because of it? The Kennedy administration cannot afford to add to the unemployment load, even to keep a campaign pledge.

[From the Beckley (W. Va.) Post-Herald, Feb. 9, 1961]

ONE DOLLAR AND TWENTY-FIVE CENT PER HOUR MINIMUM WAGE IS NOT THE ANSWER

Right off, we can't get very excited about President Kennedy's \$1.25 an hour minimum wage request. We can't really see what good it's going to do for men who can't find remunerative work.

And it just seems possible that it may do some harm. If it gives a boost to the general wage spiral, it will certainly have that effect. All of our difficulties in international trade and adverse balance of payments stem from the fact that wages in relation to production are too high rather than too low.

We are not able to compete under our present \$1 hourly minimum with the products of foreign countries where wages are considerably lower. Not only do we lose out in competition for foreign markets, we also lose out at home where some foreign products can be marketed, even after meeting tariff payments, at prices below those which American industry must charge to stay in business. (We hope and trust that the price-fixing agreements in the electrical industry are the exception rather than the rule. If they are not, foreign competitors ought to find a ready market.)

Higher tariffs ought to be examined pretty carefully before they are resorted to, lest they be "protection" for the very kind of thing that the electrical industry was engaging in, and for which 29 companies and 44 of their executives were fined a total of nearly \$2 million in a Federal court in Philadelphia this week.

The fact is that wage rises can price us out of the markets we now have. The Beckley area should be particularly aware

of this. The market for coal has steadily dwindled in spite of low coal prices because of lower costs for foreign residual oil. And jobs have dwindled even more because of higher mining wages.

Wage rises that are arbitrary and have no relation to production efficiency are a curse to the worker. He may not realize it, but his increase in wages is usually eaten up by inflation, and there are people all around the world who will do a given job for a much smaller share of the world's goods. There is sometimes a considerable timelag before the effect is fully felt.

This factor causes emigration of American industry and exportation of jobs. Loud huzzas about the Kennedy proposal should be held to a minimum. It's awfully silly to cheer the high wages that may soon render one unemployed.

Ask the unemployed miners.

In time this idea is going to sink in. But how long, oh Lord, how long?

[From the Sandusky (Ohio) Register, Feb. 9, 1961]

THE BASIC CAUSE

Unemployment and distressed areas are the result of organized labor demands for increased Federal spending, higher minimum wages and more power to manipulate prices and wages, the leader of the Nation's largest farm organization, the American Farm Bureau, declares in the February issue of Nations' Agriculture. Charles B. Shuman, bureau president, describes the national economic climate as temperamental, alternately threatened by disastrous inflation or sudden recession.

The basis for any wage is the productivity of the worker, Shuman contends. When the minimum wage was increased to \$1 an hour, many hundreds of thousands of young, inexperienced and unskilled workers were legislated out of work. The proposed \$1.25 minimum will beget more unemployment. The only way to raise wages and reduce unemployment is through increased production per worker, greater efficiency, and adequate capital investment.

[From the Norfolk (Va.) Ledger-Dispatch, Feb. 20, 1961]

THE MINIMUM WAGE MIRAGE

In the effort to snap the country out of the business slump by force-feeding dollars into the economy, the administration is pinning considerable—but possibly in our view vain—hope on an infusion via the minimum wage route.

President Kennedy, having failed last summer when he led a fight in the Senate for a \$1.25 hourly minimum, is now supporting an increase to that figure over a 3-year span. The first jump would be from the present \$1 to \$1.15, with two 5-cent increases to follow. There would be a \$1 minimum for some 4.2 million newly-covered workers, with no overtime pay for the first year; there would be overtime beyond 44 hours a week in the second year, 42 hours in the third year and 40 hours thereafter.

Organized labor seeks even more drastic action. The AFL-CIO is urging an immediate 44-hour week for the new workers and an immediate leap to the full \$1.25. A spokesman for the big union contends that this will produce \$1.2 billion in additional buying power, instead of the \$600 million of the Kennedy plan.

Actually, both figures are open to serious question. Assuming that the mere passage of the law would produce the extra wage payments to the predicted extent, this money would not automatically become an addition to consumer buying power.

The various affected firms would have to take the money from somewhere else in their operations, and this in large part

would be a subtraction from buying power. Moreover, where maintenance of wage differentials would force changes for higher paid workers, there would have to be further expense adjustments within each company—or a boost in income through higher prices. Spread this process over the country and it would spell a strong new surge of inflation, robbing the new wages of most of their meaning.

Moreover, because of the timing of the minimum wage drive, one of the chief arguments against a change becomes even more potent. This has to do with the reduction in employment which higher minimums could bring about. If an employer is determined to hold his wage costs down—as he would be in lean times—and is forced to raise the wage rate, then one of the first possibilities he is bound to consider is equalizing the payroll by leaving somebody off.

And in many cases it's our guess that "somebody" would be the man who held a job at, say, \$40 a week and lost it. Simple arithmetic shows he's not \$10 better off for the increase, but \$40 worse off. A minimum wage hike wouldn't make much sense to him.

Maybe an argument can be made for lifting the wage floor in prosperous times—though even then a hike that would be virtually unnoticeable in one place could put another less prosperous community out of kilter.

But when the economy has slipped, it doesn't make any sense at all to take a step that could put marginal businesses in jeopardy, raise the cost of living and threaten new additions to the rolls of the unemployed.

[From the Chicago Daily News, Feb. 23, 1961]

HIGHER MINIMUM WAGE COULD HANDICAP RECOVERY

Among the antirecession measures which President Kennedy has asked Congress to expedite is one raising the legal minimum wage, in steps, from the present \$1 an hour to \$1.25. Labor Secretary Goldberg says this would give the 1,665,000 workers affected an additional \$889 million in annual earnings.

This is another case of the recession's being used as a whip to advance a long-time objective in the hope that the "Wolf!" cry will bring about a less searching examination than normal.

What it ignores is that in our economy one man's wages are another man's costs.

To the average worker, whose income is far above the proposed minimum, it seems quite reasonable to require that one be paid less. He is unaware of the number of marginal companies for whom the \$1.25 minimum might mean such a profitless operation as to force them out of business, with resulting unemployment.

Our society can, if it wishes, take the position that anybody whose skills are insufficient to earn him \$1.25 an hour should earn nothing, and be supported by the community. But Congress should certainly take a long look before deciding that such a policy is desirable either for the individual or for society.

The American Retail Federation made a case study of the probable effects of the \$1.25 minimum wage in the retail-service industries in the small town of Hagerstown, Md. The proposal is that employees of all concerns with an annual volume of \$1 million would be covered by the law. Eighteen of the twenty-five retail stores in Hagerstown would thus be affected.

It was found that the average starting minimum wage in the covered stores was 93 cents an hour, and in the exempt establishments, 83 cents an hour. Clearly, if the one group must give 42 percent wage increases, the shift in the competitive situation is one to threaten both jobs and prices.

The legal minimum wage was jumped from 40 cents to 75 cents in 1950, a much more drastic spread than is now proposed. The impact on business was reduced by the production demands and inflation occasioned by the Korean war. Each increase, however, has been accompanied by reports of jobs eliminated and shifts to part-time work.

Nobody opposes a rising standard of living for all workers. There is general agreement with the declared purpose of minimum wage laws: "To eliminate conditions detrimental to health, etc."

But a further goal is to do this without substantially curtailing employment or earning power. Congress is being urged now to take a giant step which, it can be demonstrated, will cost jobs. That is completely at cross purposes with the goal of putting more wages in the pockets of workers.

[From the Johnson City (Tenn.) Press-Chronicle]

THIS COMMITTEE WILL HAVE TROUBLE

President Kennedy's decision to set up an advisory committee to try to restrain wage-price inflation shows a dutiful concern for a long-standing problem. But that committee soon is going to run headlong into programs, which, if passed, may themselves constitute powerful forces for inflation.

Prices we pay for goods must cover not only wages, materials, and overhead; they must also cover taxes. If the producing companies are to survive, they must also include some profit; and if companies are going to expand and hire more people, that profit must be large enough to justify and finance the expansion.

Yet, at a time when profits are low and offer no cushion, the new administration is proposing the following:

New social security taxes which will add more than a billion dollars to costs.

Additional payroll taxes to finance unemployment compensation, to add more billions to costs.

An increase in the minimum wage that employers must pay—and pass on in prices. It must be remembered that minimum wage increases are likely to cause a chain reaction of raises all the way up the ladder, to maintain differentials insisted upon by union and nonunion employees alike.

A package of miscellaneous welfare programs which, taken together, will cost \$5 to \$6 billion, which must either result in still more taxes on business, or in large Federal deficits. Deficits are inflationary in themselves.

In spite of all this flow of hard cash that employers must pay, the new committee is supposed to use moral suasion to keep prices from advancing.

[From the Conroe (Tex.) Courier, Feb. 1, 1961]

LIKE WEEDS IN THE SPRING

There are certain hardy political perennials which appear as surely and as regularly as the weeds in the spring.

The proposal to extend the coverage of the Federal wage-hour law, as well as the proposal to increase the legal minimum wage, is one of these. It is brought forward in every congressional session, and the next will be no exception.

The exempt workers—and they have been exempt ever since the law came into being—are in certain local service industries, of which retailing is the most important. It is significant that a highly organized effort was made to extend coverage to them during the last congressional session—and that, after extensive deliberation, the plan was shelved. And the reason for that, according to observers, was a strong tide of grassroots opposition.

This opposition, to say the obvious, didn't arise because people are opposed to higher

wages for anyone. It did arise for a number of sound reasons. One is that the proposal would set off a whole new wave of wage increases—which means a whole new wave of inflation. Another is that if we need legislation affecting local businesses, which must compete at the local level even if they are part of national chains, it should be applied by State and local action. A third is that retailing, like other service trades, offers unusual employment opportunities for unskilled, marginal, teenage, part-time, and other workers whose value to the employer is severely limited. An arbitrarily high wage would cause wide unemployment among these groups. And a fourth is that no more Federal fingers are wanted in local affairs.

The last Congress, like its predecessors, set a sound precedent in this.

[From the Orlando (Fla.) Sentinel, Feb. 26, 1961]

A WAY TO INCREASE UNEMPLOYMENT

Most citizens who have heard about President Kennedy's bill to increase the minimum wage by 25 cents an hour regard it in one of two ways:

1. Most employees make more than \$1.25 an hour already, they believe, so what would be the harm?

2. How could a quarter an hour possibly make any difference to an employer?

Nation's Business has analyzed the effects of the President's proposal to increase the minimum wage and extend coverage of the wage-hour law to retail and service trades. It finds such legislation would:

Force Mitchell & Co., a Haverhill, Mass., department store, to fire 25 employees, mainly elderly workers.

Drive up the wage costs of S. & S. Cafeterias of Macon, Ga., by \$600,000 a year.

Make the Plymouth Laundry of Chattanooga, Tenn. boost its prices by about 40 percent to avoid layoffs.

Wipe out the narrow 1 percent annual sales profit of Bridgers Lumber and Building Material Co., of Tuscaloosa, Ala., or compel that company to discharge one-third of its work force and raise its prices by 5 percent.

You can compare what would happen in Haverhill, Macon, or Chattanooga with what would happen here in Orlando, or in Jacksonville, Tampa, or any other city of the Nation if the minimum wage is raised.

Employers, already harassed by high labor costs, high cost of raw materials, high wholesale prices, and restrictive taxes, cannot afford to grant wage raises without a comparable increase in productivity or efficiency.

If overhead goes up they can do one of two things: Reduce the number of employees, or raise the prices of their goods and services.

A variety store chain operating in Florida and seven other Southern States says it would be hit with a \$360,000 a year increase in wage costs. It would have to fire 110 workers—the youngest and oldest women employees.

A Louisiana druggist with 5 stores would have to discharge 50 of his 140 employees. A Cincinnati department store would have to lay off 90 employees, raise its prices 1 percent, eliminate overtime, and no longer consider hiring unskilled workers older than 50.

A southern laundry and drycleaning plant says it would have to let some employees go, raise prices about 10 percent.

The operator of an automobile parts chain says his retail wage costs, now nearly 15 percent of annual sales, would rise to 23 percent and net profit would drop below zero.

Traditionally, the minimum wage, passed in 1938 during the administration of Franklin D. Roosevelt, has been applied to workers in interstate commerce.

The idea of President Kennedy is to extend the wage-hour law to local businesses. It

appears now as though most U.S. workers would be covered by the proposed legislation.

President Kennedy wants a bill to raise the minimum wage in two steps, first to \$1.15 an hour, then to \$1.25. This would mean \$50 for a 40-hour week.

The effect on retailing and service businesses would be severe enough if only the \$1-an-hour workers were affected, but all workers would want comparable increases.

The need for wage and salary differentials throughout an organization and throughout the economy would force all salaries upward.

(The Communications Workers of America have already told Congress that a new Federal minimum would make it easier to negotiate higher wages).

Some union contracts in the garment industry provide that the contract minimum shall be raised automatically if the Federal minimum is raised—to maintain wage differentials in the contract.

Business leaders say one of the first effects of an increase in the minimum wage would be to cause many businesses to shrink their operations.

At a time when low wage costs abroad enable foreign competitors to undersell domestic producers, a forced increase in the U.S. wage structure would further handicap many U.S. businesses.

Teenagers and older men and women are the backbone of the employe force in many retailing and service establishments. Many marginal workers find their only source of employment here.

They would be among the first to be laid off if businesses could not meet the increased labor cost. When the minimum wage was raised from 75 cents to \$1 an hour in 1956, the U.S. Labor Department found significant declines in employment in most of the low-wage industry segments studied.

Employers cut their payrolls and replaced less efficient workers. They installed more efficient machinery, changed product lines and raised production quotas. Some also raised their prices.

This is another almost inescapable effect of raising the minimum wage: Inflation. It will quickly neutralize any benefit workers obtain from the 25 cents hourly pay boost.

Congress should give serious thought to these matters before it rushes ahead with a new minimum wage bill which is almost certain to create more unemployment, higher prices and inflation.

THE PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

THE PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

THE PRESIDING OFFICER. Without objection, it is so ordered.

FEED GRAINS PROGRAM, 1961—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4510) to provide a special program for feed grains for 1961.

Mr. ELLENDER. Mr. President, I yield myself 10 minutes.

After three sessions of the Senate conferees with the House conferees, the

conference report I am about to submit was agreed upon. As I view the report, I am glad to say that there was no fundamental change in the bill as presented to the Senate for consideration a few days ago. Section 3, which was the subject of much discussion, was retained in the conference report, but only the word and figure "section 3." As I view the report, the language of the Senate bill was more or less adopted.

It is true that under the compromise made by the Senate and House, Secretary of Agriculture Freeman will have more grain to handle, probably, than he would have had under the Senate bill. But the fact remains that the feed trade will know in advance the amount of corn and other feed grains which can be disposed of by the Secretary during a certain period after the program is made effective.

The principal difference between the House bill and the Senate amendment was the provision contained in section 3 of the House bill. That provision would have authorized the Commodity Credit Corporation to sell in the market unlimited quantities of corn or grain sorghums for as low as 83 percent of the current support price.

It will be recalled that the proposal submitted by the President, as well as by the Secretary of Agriculture, imposed no limitation at all. The House did not impose a limitation on the quantity that could be disposed of, but the House put a floor of 83 percent of the support price below which the grain could not be sold. The Senate version did not contain such a provision, but limited the disposal of grain under the bill to that which is to be paid in kind to the farmer for performing his part of the contract. The conference substitute follows the Senate version and no provision for the sale of any grain is included in the conference substitute. The minimum price at which the Commodity Credit Corporation will be able to sell corn and grain sorghums will continue to be governed by the existing law, section 407 of the Agricultural Act of 1949. Subject to the exceptions specified in section 407, the minimum resale price will be 105 percent of the current support price plus reasonable carrying charges.

Mr. SYMINGTON. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. Is the Secretary of Agriculture permitted to sell grain, under any circumstances, below 105 percent?

Mr. ELLENDER. Yes, under section 407 of the Agricultural Act of 1949 there are certain exceptions, for example, if it is spoiled or is grain which must be sold because it is about to deteriorate. But under the general rule provided by section 407 he can sell CCC grain for domestic use and without reservation only at 105 percent of the support price. In this case, under the bill the support price will be \$1.20. That is the support price which will be established. This means that before the Secretary could sell a bushel of grain, he would have to

receive a price of 105 percent of \$1.20, plus carrying charges.

Mr. SYMINGTON. Is the Senator from Louisiana satisfied that under those circumstances the Secretary of Agriculture can do what is necessary to reduce the inventory of feed grains under the present law?

Mr. ELLENDER. My hope is that the corn growers—in fact, the feed-grain growers—will take heed of the new program and will try to participate in it. I am satisfied that if they do, and if we get as much as 70-percent participation, there will be from 500 million to as much as 700 million fewer bushels of feed grains produced than was the case last year. That would put the program almost in balance.

In order to attain that objective, the bill provides that for every acre which the farmer agrees to take out of cultivation—that is, within the 20-percent reduction which is obligatory and the additional 20 percent which is optional—he will be paid for not planting the acreage.

Mr. SYMINGTON. What will he be paid in the first case?

Mr. ELLENDER. In the first case, he will be paid in cash; or, under the present compromise—

Mr. SYMINGTON. In kind?

Mr. ELLENDER. Yes—in the second case, he can be paid only in kind. That is for the second 20 percent, which is not obligatory.

Mr. SYMINGTON. What is the percentage in the first case?

Mr. ELLENDER. Fifty percent. Payment will be based on 50 percent of what might have been produced on the diverted acreage.

Mr. SYMINGTON. And in the second case?

Mr. ELLENDER. Sixty percent.

Mr. SYMINGTON. In section III, is there an incentive at the beginning to have the grain grower take part in the program?

Mr. ELLENDER. I think so. Payments in kind may be at such a level as to more or less force the grain grower to enter the program.

Mr. SYMINGTON. I have asked the Senator these questions because I very highly respect his opinion in this field, as he well knows. Does he believe that the farmer will be inclined to enter into the program, or would the farmer be inclined to grow as much as he could and take his chances on the market price?

Mr. ELLENDER. It is my considered judgment that the farmer will go into the program because of the incentives which are provided in the bill.

The farmer will be able to take between 20 and 40 percent of his corn and sorghum acreage out of cultivation and be paid for not planting. It is something I do not like too well; still, it is necessary to do that in order to save the Government this year from an overproduction of corn and other feed grains, which would thereby increase the storage charges. It is estimated that if the bill becomes law and 70 percent participation is secured, the taxpayers will save

between \$450 million and \$500 million.

Mr. SYMINGTON. I thank the able chairman.

Mr. CARLSON. Mr. President, will the distinguished Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. The distinguished Senator from Louisiana just made a response to the Senator from Missouri which I am pleased he made. However, as I read the report, I get a different impression of the situation. I am sure that the Senator's view is correct, but I should like to go into it a little further. As I read the report and the language of the bill, the Secretary would be permitted to make payments in kind, that is, in grain from the Commodity Credit Corporation without regard to the 105 percent plus carrying charges.

Mr. ELLENDER. That is correct—only the amount that is paid in kind for participation in the program; that is all.

Mr. CARLSON. That is true.

Mr. ELLENDER. That was really the provision contained in the Senate version of the bill, as the Senator will recall.

Mr. CARLSON. But following that through, the only grain the Secretary can move onto the open market, out of the Commodity Credit Corporation stocks, without regard to the 105 percent of current support limitation, will be the amount paid for not planting the acreage diverted under the bill. Is that correct?

Mr. ELLENDER. That is correct.

Mr. CARLSON. I think the Senator's statement is very helpful.

I sincerely hope that the purpose of the program is to raise the income of the farmers and the income of the Nation; and I trust in the good faith of the Secretary, so that he will not put grain on the market in order to force the prices so low that the income of the farmers will be further reduced.

Mr. ELLENDER. I do not believe the Secretary intends to force prices down; I trust him, and I believe that he will not do that.

But I did not much blame the grain trade for being disturbed when we called this a voluntary program, at its inception, and then provided, as the House bill did, that the Secretary shall have the right to sell as much grain as he may desire, and thereby cause the market to go down and down, in an effort to force farmers to go into the program.

Mr. CARLSON. I assure the Senator that I have been greatly disturbed about that, too.

Mr. ELLENDER. In fact, I think everyone was concerned about it. But I assure the Senator that, in principle, the conference report follows the Senate version of the bill. The only difference is that, in my judgment, it is possible that more certificates will be available for redemption, because of the fact that payments in kind can be made on the first 20 percent reduction as well as on the second 20 percent.

The Senator will recall that the Senate version of the bill required a 30-percent cut in acreage, half of which was

to be paid for in kind, and the other half in cash.

Mr. CARLSON. I should like to state that I had hoped that the first 20 percent in acreage reduction would be paid for in cash, not cash and payment in kind, because I think that will be the test for obtaining compliance.

It is my opinion that we shall not obtain a great deal of compliance, in view of the way this measure is now written. But we shall have to test it out.

Mr. ELLENDER. I hope the corn-growers will comply, because, as I have indicated here, that will show whether they want a program in the future. I for one do not feel that grain producers should receive price supports for unlimited production, with the result that the Government has to buy and store excess production at great cost. So I am very hopeful that they will conform to the new approach that is set forth here.

Mr. HRUSKA. Mr. President, on this point will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. HRUSKA. In regard to the power of sale that the Secretary will have—the power, in effect, to sell enough commodities to liquidate the certificates—

The PRESIDING OFFICER. The 10 minutes the Senator from Louisiana has yielded to himself have expired.

Mr. ELLENDER. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for an additional 5 minutes.

Mr. HRUSKA. Many are concerned about the impact the power thereunder might have on the 1960 crop of corn. We know that until May 31 of this year the farmer has the right to put his feed grains under the price-support program and to get his loan. Can the Senator from Louisiana enlighten us on what impact the Secretary's power of sale will have—potentially or otherwise—on the sale of the 1960 crop of feed grains?

Mr. ELLENDER. I do not believe the redemption provision will have much impact. As I stated a while ago, the farmers do take a cut in acreage and do cooperate in order to reduce the surplus that is dangling over the market; and I do not believe there will be much manipulation of the market, because—I repeat—the grain trade will know, before the corn is planted—in other words, at the time of planting—almost to the bushel the amount that will be available for sale under the certificates that will be issued for compliance. In other words, the Secretary of Agriculture cannot wait until the end of the season to decide how much will be paid in cash or how much will be paid in kind. That decision will have to be made when the contracts are entered into between the growers and the Secretary of Agriculture.

Mr. HRUSKA. But will the certificates find their way into the hands of the Secretary of Agriculture before May 31, so that he will be able to sell stocks from the Commodity Credit Corporation inventories, and thereby depress the market on the 1960 crop? That is the question.

Mr. ELLENDER. I understand that. But the Senate had that provision in its version of the bill, and the House adopted that provision—which gives the Secretary the right to act, more or less as an agent for the holder of that certificate, in representing him, to dispose of it. But I want to impress on the Senator that the grain trade will know in advance the amount of feed grain that will be available for sale; and after the signup, I don't believe that any action to influence the market could be taken to get people into the program, when they have already signed up for it.

Mr. HRUSKA. I understand that. But the Secretary still has the right to sell as much as he wants to, in order to liquidate those certificates.

Mr. ELLENDER. Not as much as he wants to. He is limited to payment of the amount of grain the certificates call for.

Mr. HRUSKA. Yes; and all the certificates not redeemed in kind will find their way into his hands.

Mr. ELLENDER. That is right if the producers do not ask for redemption, and do not sell their certificates themselves, they would probably ask Commodity Credit Corporation for assistance in marketing their certificates. That is the same as the provision we had in the Senate's version of the bill. The only difference is that under the House version of the bill, since there is the option for the Secretary of Agriculture to pay in cash or in kind for the first 20 percent, it may be that there will be a little more grain to dispose of, under the certificate plan, than there would have been under the Senate version of the bill.

Mr. HRUSKA. I think the Senator from Louisiana.

Mr. SYMINGTON. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. I read now from the statement of the managers on the part of the House, in connection with the conference report on House bill 4510; the statement signed by Representative COOLEY and the other managers on the part of the House:

Under section 3 as passed by the House, the Commodity Credit Corporation would have been authorized to sell feed grains during the 1961 marketing year in unlimited quantities at prices not less than 17 percent below the 1961 support price, or about \$1 per bushel for corn and a comparable price for grain sorghums.

That I understand clearly.

Mr. ELLENDER. That was in the House version of the bill.

Mr. SYMINGTON. Yes, in the House version of the bill.

Mr. ELLENDER. That is correct.

Mr. SYMINGTON. I read further from that part of the statement of the managers on the part of the House:

The new language of section 3 requires all certificates representing payments in kind to be redeemed for feed grains but a producer-certificate holder not desiring to take feed grains may obtain the assistance of the Commodity Credit Corporation in the marketing of his certificates for cash.

Mr. ELLENDER. That is correct—the same provision we had in the Senate version of the bill.

Mr. SYMINGTON. I should like to ask the able Senator from Louisiana if the return to the producer would be the same whether payments are made in cash or in kind; and if they are made in kind would the producer receive more if his certificates are marketed for him by Commodity Credit Corporation?

Mr. ELLENDER. The return to the producer should be about the same in any event. Payment in cash would be for so many dollars. Payment in kind would be for exactly the same number of dollars worth of grain. If the producer asked the Commodity Credit Corporation to help him market his certificate, he might expect the Corporation to sell it for about its face value and return that amount to him. If he asked Commodity Credit Corporation to redeem his certificate, it would be redeemed for the specified number of dollars worth of grain. The grain would be valued for redemption purposes at market value. A producer who took grain should be able to sell the grain on the market for about the same specified number of dollars if he so desired. Of course he might save some sales expense by reason of the assistance furnished by the Corporation.

Mr. SYMINGTON. Yes, I understand that.

Mr. ELLENDER. In other words, when a certificate is issued to a farmer for complying, the certificate will read, "This certificate is worth so many dollars worth of grain"—figured at the price-support fixed in this measure, which will be \$1.20. When the certificate is redeemed it will be redeemed for that many dollars worth of grain, the grain paid in redemption being valued at market prices.

Mr. SYMINGTON. So if the farmer receives payment in kind, he will receive the same value as if he receives payment in cash. But since the certificate is valued on the basis of the support price for the grain and the grain paid in redemption is valued at the market price, the farmer will receive more bushels than the number used in fixing the value of the certificate. Is that correct?

Mr. ELLENDER. I assume that is correct, because the market price probably will be less than the support price. The kind and quality of the grain paid in redemption, as well as the location at which redemption is made, would also affect the number of bushels paid in redemption.

Mr. HICKENLOOPER. Mr. President, on this point will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. HICKENLOOPER. I agree with what the Senator from Louisiana says about the first 20 percent. But on the second 20 percent, which is a voluntary reduction, if the farmer wants to take out the additional 20 percent, then, as I understand—

The PRESIDING OFFICER. The additional 5 minutes the Senator from Louisiana has yielded to himself have expired.

Mr. ELLENDER. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for an additional 5 minutes.

Mr. HICKENLOOPER. Then, as I understand, his payment in kind will come at the market price, not at the support price.

Mr. ELLENDER. No. On the second 20 percent, the value of the certificate is figured at 60 percent of what he would have produced, based on the support price in this measure. All certificates are based on the same formula, except that the rate is 50 percent for the first 20 percent reduction and 60 percent for the second 20 percent reduction.

Mr. HICKENLOOPER. That is, for compliers.

Mr. ELLENDER. Certainly; the compliers are the only ones who are entitled to certificates. No one else is. I go back to the proposition that the certificates are based on the support price as fixed in the bill, but when they are redeemed in grain, the grain is valued at whatever the market level is at the time of the redemption.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. If that is true, then any farmer would prefer to receive, under the law, a cash payment as against receiving a payment in kind, only because he would get his money immediately, without having to market his certificate in order to obtain that value in kind.

Mr. ELLENDER. Yes; the certificate could be marketed with the assistance of the Commodity Credit Corporation for cash and the purchaser could obtain its redemption in grain. The amount of grain paid in redemption would represent the value of the certificate. If the certificates were valued at \$1,200, the grain paid in redemption would be worth \$1,200.

Mr. SYMINGTON. The 105 percent of support restriction on the Commodity Credit Corporation resale price does not enter into the redemption value of the grain at all, does it?

Mr. ELLENDER. No; let us not mix up the 105 percent with what is before us, because it has nothing to do with the bill before the Senate now. Let me make it plain that the present compromise does not in any way change the present law as to what the Commodity Credit Corporation stocks are sold for. It affects only the grain represented by the certificates that would be given to the farmers for participation.

Mr. SCHOEPPPEL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SCHOEPPPEL. I hold in my hand a sheet which contains a comparison of H.R. 4510 as passed by the House, the Senate amendment thereto, and the conference substitute therefor. I note on page 4 the following:

(a) Corn and grain sorghums price support limited to normal production of "harvested" acreage.

(b) reads:

Specified provision of the acreage of soil-conserving crops be increased by amount

of diverted acres (Senate amendment leaves this to the Secretary).

Does the Senator have any idea what the Secretary's position would be on the matter?

Mr. ELLENDER. It is my belief that the Secretary would make about the same requirements under either the House or Senate version or the conference substitute. The Senate version did not require participating producers to increase their acreage of soil conserving crops by the number of acres diverted from feed grains. But it contained the more stringent requirement that the acreage of nonconserving crops should be reduced by the number of acres diverted from feed grains. I would expect the Secretary's program to include the more stringent provisions of the Senate version. I have no doubt of that. That was the difference between the House bill and the Senate version. The Senate version of the bill included specific instructions as to what to do, whereas the bill as passed by the House left much more to the discretion of the Secretary.

I am satisfied that the formula which will be adopted by the Secretary will not be different from that which we adopted in the bill originally.

Mr. SCHOEPPPEL. I thank the Senator.

Under (b) on the same page of the memorandum to which I have referred, the following language is contained:

Specific prohibition against harvesting or grazing the diverted acreage. Conference substitute omits this provision, thereby leaving it within the discretion of the Secretary.

Mr. ELLENDER. That is correct, but I would expect the Secretary to include a provision of that sort. We have made a further change in that diverted acreage can be planted to certain non surplus crops such as castor beans and safflower. It is left to the discretion of the Secretary, but those who plant any of these four commodities will not receive payments for diverting the acreage.

I now return to my prepared statement.

The Senate amendment contained rather detailed provisions as to the method of making payments in kind, while the House bill left broad discretion to the Secretary. The conference substitute follows the Senate provision. All payments in kind made under the bill would be made in the form of negotiable certificates redeemable in feed grains, the value of the certificate being determined on the basis of the basic county support rate multiplied by a certain percentage of the bushels which might have been produced on the acreage diverted. The certificate would be redeemable in feed grains valued at the market price at the time and place of redemption. As was provided in the Senate version of the bill, the Commodity Credit Corporation is directed to assist the producer in marketing his certificates.

All the language I have just read is what was contained in the Senate version of the bill.

The House bill provided for the diversion of 20 percent of a producer's 1959-

60 average corn and grain sorghums acreage for a payment in cash or kind, and for the diversion of an additional 20 percent for payment in kind.

The PRESIDING OFFICER. The Senator's time has expired. The Senator is recognized for an additional 5 minutes.

Mr. ELLENDER. Mr. President, how much time have I consumed?

The PRESIDING OFFICER. The Senator has consumed 25 minutes.

Mr. ELLENDER. Mr. President, under the House bill, the entire 40 percent might therefore be paid for in kind if the Secretary of Agriculture elected to provide payment in kind for the first 20 percent reduction. The Senate amendment provided for a 30-percent diversion, half of which would be paid for in cash, and half of which would be paid for in kind. The conference substitute follows the House bill in giving the Secretary the discretion to provide payments in kind for the entire acreage diversion. The conference substitute provides for a required 20-percent diversion for which the Secretary might provide payment in cash or kind at a rate per acre not exceeding the basic county support rate multiplied by 50 percent of the 1959-60 average yield per acre for the farm; and for the diversion of up to an additional 20 percent for which payment in kind only could be made at a rate per acre not exceeding the basic county support rate multiplied by 60 percent of the 1959-60 average yield per acre.

The House bill required participation in the diversion program as a condition of eligibility for price support for soybeans and other oilseed crops—as well as corn and grain sorghums, and other feed grains designated by the Secretary. The Senate amendment required such participation as a condition of price support for oats, rye, and barley, without regard to whether the Secretary designated them. The conference substitute restricts this cross-compliance feature to corn and grain sorghums and other feed grains designated by the Secretary. It contains no cross-compliance requirement for soybeans.

The House bill excluded corn for silage from the commodities covered by the diversion program, while the Senate amendment would have extended the diversion program to oats, rye, and barley if the Secretary designated those commodities. The conference substitute restricts the diversion program to corn and grain sorghums, and includes corn for silage.

The House bill provided price support for corn for 1961 at any level above 65 percent of parity, while the Senate amendment provided for such support at \$1.20 per bushel. The Secretary has already advised of his intention to fix the support level at \$1.20 per bushel, and since the support price would therefore be \$1.20 under either version, the substitute adopts the House language. The Statement of Managers on the part of the House makes it clear that the support level is intended to be \$1.20.

The PRESIDING OFFICER. The time of the Senator has expired. The

Senator is recognized for 3 additional minutes.

Mr. ELLENDER. Mr. President, support levels for 1961 for oats, rye, barley, and grain sorghums would also be the same under either the House or Senate version, and the conference substitute follows the House language.

The conference substitute follows the general form of the House bill in providing for the formulation of a diversion program by the Secretary of Agriculture, leaving many of the details to him. Under either the House bill or the Senate amendment, it is clear that an effective diversion program designed to reduce production is contemplated, and the Secretary has full authority under the conference substitute for such a program.

Under either version any producer might divert at least 20 acres from corn and grain sorghums and receive payment therefor, and the conference substitute retains this provision.

The Senate amendment contained a reporting provision not contained in the House bill. This provision is retained in the conference substitute with an amendment permitting the use of estimates when final figures are not available.

As was provided by the House bill, the conference substitute restricts the 1961 corn and grain sorghums price support to the normal production of the 1961 acreage. A provision of the House bill permitting producers, in lieu of receiving payments, to divert to nonsurplus, non-price-supported, nonfeed commodities, other than popcorn, was modified to permit such diversion only to such of the commodities, castor beans, safflower, sunflower, or sesame, as the Secretary may designate.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, in a statement from the office of the Secretary of Agriculture on the 20th of March it is said that the bill as presented by the able chairman today, "will mark a turning point in the buildup of Government-owned feed grain stocks and start us on the way toward bringing these stocks into manageable proportions."

Presumably the meaning there is that there will be a reduction.

Mr. ELLENDER. In the production of feed grains.

Mr. SYMINGTON. A reduction in the production of feed grains?

Mr. ELLENDER. That is correct.

Mr. SYMINGTON. Does the chairman agree?

Mr. ELLENDER. I do.

Mr. SYMINGTON. I would say, most respectfully, that I would hope both the able Secretary and the able chairman are correct.

Mr. ELLENDER. I am reasonably certain that I am correct. It is hoped that this program will result in the curtailment of about 25 percent of the present corn and sorghum acreage. Assuming there is 70 percent compliance, I have figured this program may take out of production as many as 16 or 17 mil-

lion acres. Let us say the average production is 50 bushels an acre. If we multiply 50 times 17 million acres we get an idea of the amount of production involved.

The PRESIDING OFFICER. The additional time of the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for an additional 2 minutes.

Mr. SYMINGTON. The level of this year's crop production will depend to a considerable extent upon the weather.

Mr. ELLENDER. Of course.

Mr. SYMINGTON. If the Secretary were allowed to sell at 17 percent below the price support level we could be sure the amount of grain in storage in the future would be less than today. I personally am worried, because under the program everything has to go, we might say, exactly right for the Secretary to end up with materially less feed grain in storage than there is today.

Mr. ELLENDER. My fear was that if the Secretary insisted upon putting his view into the bill we might not pass any bill at all. I would rather have this bill than no bill at all.

I honestly believe the feed grain growers will have an opportunity to show whether they wish to support any program. We make it very attractive for them to follow through in this program and to reduce acreage, as I have indicated.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from California yield time to me?

Mr. KUCHEL. Mr. President, the minority yields 5 minutes to the distinguished senior Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 5 minutes.

Mr. YOUNG of North Dakota. Mr. President, while this is far from a perfect feed grain bill, I believe it is about the best which can be enacted by the Congress in the short time we have to take action. I think the bill will go a long way toward curtailing a sharp buildup of feed grains in storage.

We are expected to have under control of the Department of Agriculture by next fall a carryover of approximately 3 billion bushels of feed grains. If we continue such a carryover, it will be a real threat to the livestock industry, and I think to all farming in general.

It has been pointed out by opponents that the proposed legislation would raise the price of feed grains to consumers. The same people go to the feed grain producing areas and say, "One provision in the bill, in all probability, will tend to depress your cash price even lower than it is now." These people go to the cattle feeders in my area and say that passage of the proposed legislation will mean higher feed prices to them.

My own opinion is that with a somewhat higher support price—and it is a modest increase—the cash price will be a little higher than it was last year, but

this is only a guess on my part. The price support will be a little higher.

The bill would make a step in the right direction, which is toward curtailing surpluses. If the farmers cooperate with the program we shall go a long way toward solving a very serious farm problem. Cheap feed grains will result in lower meat prices. This has been true for years and years. It will always be the case.

This year the spring pig crop is 8 percent higher than it was a year ago. This has resulted almost entirely because of the most favorable corn-hog ratio in years. It means there will be more available meat next fall. The trend will continue, unless something is done.

I understand that in the major corn-producing States the cash prices for corn have been averaging 80 to 90 cents a bushel, while the price support is \$1.06 a bushel. High moisture content corn is selling for as low as 70 cents a bushel.

One of the provisions in the bill would give the Secretary of Agriculture authority to place some additional corn on the market, which would perhaps have an adverse effect on the cash market. This is a practice which has been followed, pretty much, by the previous Secretary of Agriculture. Corn has been put on the market from time to time, almost weekly, on the theory that it was going out of condition. Basically it was good corn, which could have been stored for several years longer. This practice is one of the major reasons why the cash price for corn has been from 80 to 90 cents a bushel while the price support for corn has been \$1.06 a bushel.

I do not think the provision in the bill will permit the sale by the Secretary of Agriculture of enough additional feed grain to have any material effect on the market. All in all, I think the conference report recommends a good bill, and I shall support it.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I am glad to yield.

Mr. COOPER. Under the terms of the conference report, could the Secretary sell corn from surplus stocks at a price lower than is now provided?

The PRESIDING OFFICER. The 5 minutes yielded to the Senator from North Dakota have expired.

Mr. KUCHEL. Mr. President, the minority yields 2 additional minutes to the able Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 2 additional minutes.

Mr. COOPER. I shall repeat my question. Under the terms of the conference report, could the Secretary sell corn from surplus stocks at a price lower than is now provided; that is, the support price plus reasonable carrying charges?

Mr. YOUNG of North Dakota. He could not. That provision of the law would remain unchanged.

The proposed legislation would make it possible for the Secretary to sell a little additional corn on the market. I refer to the corn under certificate. The Secretary also could sell corn which is going out of condition.

Mr. COOPER. The sale of corn which represents amounts held by certificate-holders would have to be at the support price plus reasonable carrying charges?

Mr. YOUNG of North Dakota. No; the Secretary could sell such corn for the market price.

Mr. COOPER. For the market price. That would be a change, then?

Mr. YOUNG of North Dakota. Of course, that is the same as was provided in the Senate amendments to the bill. Any payment-in-kind grain could be sold at the market price.

Mr. COOPER. I intend to vote in favor of the conference report, but it does mark a change from the provisions of the Senate version of the bill, does it not? I thought, under the terms of the Senate version of the bill, that when the Secretary sold corn he was required to sell it for the support price plus a reasonable carrying charge.

Mr. YOUNG of North Dakota. That has always been the law. The only change would affect the grain which is called the payment-in-kind grain. Under the Senate amendments to the bill, that was to be half of the 30-percent reduction. Under the provision now presented, the Secretary could make all payments in kind rather than cash, and the farmer could elect to accept the grain himself or to turn it over to the Secretary for sale for whatever the market would bring on the cash market.

Mr. COOPER. I should like to ask two questions. The first question is whether the conference report provides that the price support might be higher than the \$1.20 which was fixed in the Senate version of the House bill.

Mr. YOUNG of North Dakota. The understanding of the conferees—and I think it was written in the House report—was that the price support would be no higher than \$1.20 a bushel.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. I yield 1 additional minute to the Senator from North Dakota.

Mr. COOPER. That provision is written in the report. The second question is this: The Senator from North Dakota may recall that I advanced a proposal, which was agreed to, providing that in any case an amount up to 20 acres of land could be withdrawn from production. Is that provision still in the conference report?

Mr. ELLENDER. The Senator is correct.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. KUCHEL. Mr. President, the minority yields 10 minutes to the distinguished senior Senator from Iowa.

Mr. HICKENLOOPER. As a member of the conference committee on the bill I found myself unable to sign the conference report, because in my opinion the bill still contains the same basic and fundamental defects that caused me to vote against the bill as it passed a few days ago.

Section 3, which was in the House version of the bill, and which was strongly supported by the Secretary of Agriculture is modified to some slight extent in the conference report, it is true. How-

ever, that modification is much like the sheriff's hat. A sheriff submitted a bill to the county board of supervisors for a new hat because a hole had been shot in the one he had when he was apprehending a prisoner. The county board of supervisors returned his expense account and said:

We do not pay for articles of clothing lost in the performance of duty. Please revise your report and send it back.

So the sheriff revised his expense account and sent it back, with nothing in the account about the hat. However, he did make the mistake of inserting at the bottom of the account, "P.S. The hat is in here but you can't possibly find it."

In much the same way the conference report is submitted. Section 3 allegedly is not in the report. Some would like to have us believe that section 3 is not in the report, or it is in there and we cannot find it. But section 3 is definitely in the conference report. The only difference is that the amount has been reduced somewhat, as was pointed out a minute ago by the Senator from Louisiana. There is a provision which would reduce somewhat the amount of grain which the Secretary of Agriculture would be authorized to throw on the market in order to keep the market low.

As I said a few days ago, it would be easy to support the bill and to say, "Let them see what they can do with it." However, I do not believe that such action is justification for supporting a bill that I really believe is basically wrong in principle for the farmers of this country and for the feed grain raisers.

If Senators will consider the bill and the testimony of the Secretary of Agriculture and his chief adviser, they will find that their basic purpose is to keep the price of feed grains down. They so testified. They testified they would use the discretionary power that would be given to them in order to bring grains out of storage so that the price would not rise.

Of course, they said, "We do not want the price for the corn of noncompliers to go above the price which the compliers would receive." But to me that argument is inadequate and insupportable because if the price of corn rises above the support price, the complier would receive the added price anyway. He could withdraw it from storage and sell it any time he might wish to do so for the increased price. To me that argument is specious and not sustainable.

As I said the other day, the bill represents a 180° shift from the principles of an agriculture bill designed to get the farmer a better price and a better portion of the national income. This bill is designed to control the price and to keep the price down, if we can accept the testimony of the Secretary of Agriculture at face value. He does not wish the price to rise beyond \$1.20 on corn on a comparable basis. He wants discretionary power to keep the price of all corn down around \$1 a bushel.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. SYMINGTON. What is the price of corn today?

Mr. HICKENLOOPER. To the farmer?

Mr. SYMINGTON. The support price? It is \$1.06, is it not?

Mr. HICKENLOOPER. \$1.06, yes.

Mr. SYMINGTON. And the actual price is around \$1, is it not?

Mr. HICKENLOOPER. I think the price is less than that amount on the farm.

Mr. SYMINGTON. Then \$1.20 would not be too bad, would it?

Mr. HICKENLOOPER. \$1.20 is not too bad a price, but what has happened to those who in the past have been criticizing former Secretary of Agriculture Benson because he wanted a support price which would be approximately \$1.50 or \$1.60? Why settle on a price of \$1.20 now as a part of the proposed program?

Mr. SYMINGTON. Mr. President, will the Senator yield further?

Mr. HICKENLOOPER. I yield.

Mr. SYMINGTON. The price in 1956 was \$1.50, was it not?

Mr. HICKENLOOPER. I do not recall the exact price at that time. I will accept the Senator's word.

Mr. SYMINGTON. I believe the price was \$1.50. Five years ago under Mr. Benson it was \$1.50. Today it is about \$1.

Mr. HICKENLOOPER. If the price 5 years ago under Mr. Benson was \$1.50 and the Secretary of Agriculture now wishes to knock the price down to \$1.20, I suggest that reduction is quite a come-down.

Mr. SYMINGTON. No, the present Secretary of Agriculture desires to raise the price from \$1 to \$1.20.

Mr. HICKENLOOPER. The Secretary of Agriculture has testified that he wishes to use surpluses in order to keep the price of corn down to \$1, except for the compliers, and he wishes to keep the price for compliers at \$1.20.

Mr. SYMINGTON. I believe the Secretary of Agriculture has testified—certainly he has told me—that he wishes to cut the very large inventory of grain that has been built up in the past 8 years, and also raise the present return to the farmer.

Mr. HICKENLOOPER. That is very true, and it is the desire of all of us. I do not know what the Secretary of Agriculture told the Senator from Missouri, but I suppose that would be his ambition. However, I do not believe the bill would do so. I do not believe the Secretary of Agriculture would receive anywhere near the compliance that he anticipates or states is necessary if the provisions of the bill are to be at all successful. The information I received is that compliance is simply not coming in.

The program is not an attractive one for the grain raiser who is also a feeder. The program may be fairly attractive at the moment for the cash grain farmer who sells his grain for \$1. But there are comparatively few of those as compared with feeders who sell all their grain. I am informed from many sources that the farmers do not find the proposed program attractive. They do not believe it would materially help the grain situation or price. On the contrary, they believe

the program may keep grain prices at low levels. In effect that is what we propose to do by freezing a high price of \$1.20 and a floor price of \$1, and between those prices the grain feeder can have his accordion movement in the price of grain.

Heretofore our programs and policies—at least those supported by most of us who are trying to help the farm situation—have been designed as a floor or support to afford protection against a severe decline in price, and to let the farmer get whatever he can above the support price.

The new theory that has been written into the bill is to put both a floor and a ceiling on grains, and to place the grain farmer between the two jaws of a vise. He cannot receive more than \$1.25 or \$1.20, although the bill provides 65 percent of parity. If the percentage is left at that figure, the price will be below \$1.20. The farmer cannot receive more than \$1.20, because the Secretary of Agriculture testified he will use the surplus grain on the market in order to keep the price down.

The theory and philosophy proposed is new and diametrically opposite to the philosophy we have tried to put into effect heretofore.

Payments may be made in kind. There is no requirement that any of the amounts be paid to the farmer in cash. The Secretary of Agriculture has discretion to determine whether he wishes to pay all of the amount in kind, to pay none of it in cash, or to pay part of it in cash and part of it in kind.

The net result of the proposed resolution is that it would put complete and absolute discretion in the Secretary of Agriculture, and if the program does not work to reduce surpluses, if it does not work to increase prices to the farmer, with all of the unlimited discretion the bill gives to the Secretary of Agriculture, he can blame no one else but Secretary of Agriculture Freeman, because under the bill he would have all the power and discretion anybody would need. I believe, as I said a while ago that the direction and the philosophy of the bill are basically wrong. I do not believe it is for the good of agriculture, in an emergency or otherwise. Therefore, for these reasons, and for those I stated the other day, when I voted against the bill, I cannot support the conference report.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. I yield 2 more minutes to the Senator from Iowa.

Mr. HICKENLOOPER. I could not sign the conference report for the reasons I have stated, and I will have to vote against it on those basic principles.

I wrote to the Secretary of Agriculture on March 20, and asked certain questions. I received, yesterday evening, his reply to that letter, dated March 21, 1961. I appreciate the promptness with which the Secretary of Agriculture answered my letter. I am not hypercritical about it when I say I feel he did not completely and fully answer the questions which I set out in my letter. He answered some of them. Nevertheless I do appreciate the courtesy of his reply.

I ask unanimous consent that a copy of my letter to Hon. Orville Freeman, Secretary of Agriculture, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 20, 1961.
Hon. ORVILLE FREEMAN,
Secretary of Agriculture,
Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: As you know the proposed feed grain bill will be acted upon by the Senate within the next few days. This proposed legislation provides you with tremendous discretionary authority to adversely affect the free market price for corn. Therefore, prior to the time the Senate will be asked to vote on this proposal I should like to have the answers to the following questions:

1. Do you intend to use your authority to make an advance payment to cooperators? If you do, do you intend to make this payment in cash or in payment-in-kind certificates? You should recognize that the marketing of the feed grains which would result from the conversion of the certificates into grain will have a tremendous downward impact on the free market price for feed grains.

Since farmers normally sell in excess of 500 million bushels of feed grains between April 1 and October 1 feed grains that were produced in 1960 under the legislation then prevailing, I would urge you, if you decide to make an advance payment, that this payment be made in cash. This grain is now owned by farmers in Minnesota, Illinois, Iowa, Ohio, Indiana, Missouri, Nebraska, North and South Dakota, and to a lesser degree in most of the other States. Making advance payments in kind would cost farmers tens of millions of dollars.

2. Do you intend to make cash or in-kind payments for the first 20 percent of adjustment? As you know the Republican conferees attempted to have the proposed conference bill amended to permit the payment of cash or in kind at the option of the producer. However, the Democrats who are in majority refused to provide this authority to the producer but gave the choice to the Secretary. The Republicans were acting on the language of the President in his March 16 message to the Congress where he said as follows:

"As part of payment programs the Secretary of Agriculture should be authorized to make payments-in-kind in cases where producers prefer such payments and where the Secretary determines that the goal of reduction of available stocks makes such payments feasible."

I would urge that the choice be given to the farmer when he signs up.

The past policy providing for the resale of feed grains by the CCC was based on the following congressional delegation:

"In determining sales policies for basic agricultural commodities or storable non-basic commodities, the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop."

This proposal will do just the reverse.

In order that Congress may know exactly how you intend to administer the authorities granted in this sweeping legislation, please provide me the answers to these questions immediately. The answers to these questions are essential in order that we can vote intelligently.

Yours sincerely,

BOURKE B. HICKENLOOPER.

Mr. HICKENLOOPER. I ask unanimous consent that there be printed in the RECORD at this point a copy of the letter which I received from the Secretary of Agriculture.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., March 21, 1961.
Hon. BOURKE B. HICKENLOOPER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HICKENLOOPER: I am pleased to reply to your letter of March 20 in which you pose some questions with regard to the specific application and administration of the legislation which has been approved by the Senate-House conference committee and which is scheduled to come up for further action in the Senate today.

As your letter indicates, the pending legislation would authorize payments "not to exceed 50 percent of any payments to producers in advance of determination of performance." Since it would appear to be the will of Congress that such advance payments be made, and since it is desirable from the standpoint of our national economy to place additional purchasing power in the hands of farmers at this time, it is expected that such authorization will be used. This action would be in line with steps which have already been taken to make 50 percent advance payments to farmers who have resealed grain on their own farms.

As a member of this conference committee, you are undoubtedly aware of the language which was approved as a substitute for section 3 of H.R. 4510 as passed by the House. This authority has been explained in the statement of the managers on the part of the House, as follows:

"The new language of section 3 requires all certificates representing payments-in-kind to be redeemed for feed grains but a producer-certificate holder not desiring to take feed grains may obtain the assistance of the Commodity Credit Corporation in the marketing of his certificates for cash. The new language, however, gives the Secretary discretion as to when such certificates would be sold in order that the Secretary may have a measure of control over the rapidity with which the certificates may be placed on the market. The Secretary would be authorized, as a means of providing adequate assistance to producers in the marketing of their certificates, to direct the Commodity Credit Corporation to make an advance on the certificate to the producer. The Commodity Credit Corporation would then be reimbursed for such advance from the sale proceeds of the certificates. In this way, the Secretary would not be required, when he deemed such action contrary to the best interests of the program, to permit an undue quantity of grain to be put on the market."

Under this authority it would be possible to make payment in kind without having the tremendous downward impact on the market price for feed grains which you envision in your letter. You may be sure that we will not administer this program so as to reduce the income received by farmers prior to October 1, 1961, from sales of feed grains from the 1960 crop, below that they would have received if this program had not been enacted.

I would seriously question your conclusion that the legislation may discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of feed grains. Insofar as this program is effective in bringing about a better balance between the supply of and demand for feed grains, it will have a healthy effect on the entire feed grain economy. Furthermore, you may be assured that it is not my inten-

tion to administer any discretionary authority vested in the Secretary of Agriculture in a manner unfair to any segment of the industry.

I know you share my deep conviction of the necessity of providing for the American farmer the most effective and successful program possible under the legislation which may be enacted by the Congress.

Sincerely,

ORVILLE L. FREEMAN,
Secretary.

Mr. ELLENDER. Mr. President, I yield 3 minutes to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I support the conference report. I do so, although I recognize that it has serious weaknesses. The chairman of the committee, the Senator from Louisiana [Mr. ELLENDER] has said the only alternative to the pending bill is no bill at all. That would mean hundreds of millions of bushels of additional feed grain produced. It would also mean, as a result, an increased cost for the taxpayers. It would also mean a lower income for the corn producer. I am sure it would also mean a lower income for the dairy and poultry farmers, and others as well.

I believe the pending bill is absolutely necessary. However, I disagree very strongly with the views expressed by the distinguished Senator from Iowa. I feel the bill does not put unlimited discretion in the hands of the Secretary of Agriculture. I believe he should have been given more than is provided in the bill. That is why I am fearful that the Secretary of Agriculture is not going to be able to secure anything like 70 percent compliance.

I hope he will be able to do so. The whole program depends on his ability to do so. However, the fact is that we have not given him as much discretion as he asked for originally, or as much as the House provided. If we are to have a program that will reduce the surpluses, if we are to have a program that will provide the farmer with an adequate income, and one that will secure compliance, we must give the Secretary the tools with which to work.

Finally, the conference report, Report No. 170, of the House of Representatives, dated March 17, 1961, has a very lucid statement on pages 4, 5, and 6 of the conference report. Because it expresses exactly what the proposal does, I ask unanimous consent that this portion of the report be printed in the RECORD at this point in my remarks.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4510) to provide a special feed grains program for 1961 submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The amendment of the Senate struck out all after the enacting clause of H.R. 4510 and inserted the language of a similar Senate bill (S. 993) as passed by the Senate. The conference has agreed on a substitute to the

Senate amendment which follows in general the language of the House bill with the exception of the changes noted below. Other than technical changes, the differences between the bill as passed by the House and the substitute agreed to by the conferees are as follows:

SECTION 1

This retains the language of the House bill with some modifications. The level of price support for the 1961 crop of corn will be established by the Secretary "at such level not less than 65 percent of the parity price therefore as the Secretary may determine" but the committee of conference understands that pursuant to this authority the support level for corn for the 1961 crop will be \$1.20 per bushel.

The House bill required that soybean producers and producers of such other oilseed crops as might be designated by the Secretary would have to participate in the corn and grain sorghum acreage reduction program in order to be eligible for price supports on soybeans or such other designated oilseed crops. The conference substitute omits this requirement.

SECTION 2

Section 2 follows in general the language of the House bill. It authorizes the Secretary of Agriculture to formulate and carry out a special agricultural conservation program for corn and grain sorghums for 1961 and requires that an acreage equivalent to 20 percent of the average acreage on the farm of these two crops in the years 1959 and 1960 must be retired under the special conservation program in order for the producer to be eligible for price supports on corn or grain sorghums. An additional 20 percent may be retired at the producer's option. It requires that a corresponding increase must be made in the average acreage devoted in 1959 and 1960 to soil-conserving crops and practices and it is the understanding of the conference committee that the certification of the producer with respect to this acreage may be accepted as evidence of compliance.

The House bill contained the provision that any producer participating in the corn and grain sorghum acreage retirement program might elect, in lieu of any payment for such land retirement, to grow on the diverted acreage any crop not in surplus, not eligible for price supports, and not produced principally for livestock feed which might be designated by the Secretary. This provision has caused so much misunderstanding that the committee of conference has substituted for it a listing of the specific crops which may be designated by the Secretary. They are castorbeans, sunflower, safflower, and sesame. The Secretary will designate which, if any, of these crops may be grown on diverted acreage.

Paragraph 2 of the committee substitute combines the provisions contained in paragraphs 2 and 3 of section 2 of the House bill. The authority for financing the program is virtually the same as that in the House bill except that the specific authorization for expenditure of \$500 million for payments in cash in advance of appropriations is eliminated and the language makes it clear that CCC may pay the cost involved in carrying out the provisions of section 3 of the conference substitute.

Paragraph 3 of section 2 contains the Senate provision for a sharing of payments among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

SECTION 3

Section 3 of the bill as passed by the House, which was its most controversial section, was modified and rewritten by the conference committee. The effect of this is to change the language and the procedures of section 3 but to leave to the Secretary

the power to encourage participation in the program by releasing into the market the amount of feed grains represented by the certificates issued as payment in kind under the program authorized by the legislation. Under section 3 as passed by the House, the Commodity Credit Corporation would have been authorized to sell feed grains during the 1961 marketing year in unlimited quantities at prices not less than 17 percent below the 1961 support price, or about \$1 per bushel for corn and a comparable price for grain sorghums. The new language of section 3 requires all certificates representing payments in kind to be redeemed for feed grains but a producer-certificate holder not desiring to take feed grains may obtain the assistance of the Commodity Credit Corporation in the marketing of his certificates for cash. The new language, however, gives the Secretary discretion as to when such certificates would be sold in order that the Secretary may have a measure of control over the rapidity with which the certificates may be placed on the market. The Secretary would be authorized, as a means of providing adequate assistance to producers in the marketing of their certificates, to direct the Commodity Credit Corporation to make an advance on the certificate to the producer. The Commodity Credit Corporation would then be reimbursed for such advance from the sale proceeds of the certificates. In this way, the Secretary would not be required, when he deemed such action contrary to the best interests of the program, to permit an undue quantity of grain to be put on the market. If a certificate is not presented for redemption within 30 days of its issuance reasonable storage and other charges as determined by the Secretary, beginning 30 days after issuance of the certificate and ending with its presentation for redemption, would be deducted from the value of the certificate. However, if the Department elected to hold producers' certificates off the market longer than 30 days after their issuance, producers would not have to bear storage and other charges, since the time of the marketing of the certificates would not be within their control, but would be wholly within the control of the Department. Under the language of section 3 the Secretary is required to deduct only such storage and other charges as he determines to be reasonable and this would give him ample authority to relieve the producer of storage and other charges under these circumstances.

SECTION 4

Section 4 of the conference substitute adds language which was not in the House bill. It provides that the Secretary shall submit to Congress, within 90 days after the effective date of this act, a detailed report on the progress, cost, and reduction of surpluses under the program, and other relevant information.

Mr. ELLENDER. I yield 5 minutes to the Senator from Florida.

Mr. HOLLAND. Mr. President, I signed the conference report on the bill, not because I am completely in accord with all the provisions of the conference report, but because I believe the report improves greatly upon the House version. I deem it to be the duty of a conferee to endeavor to arrive at a report as nearly in keeping with the action of the House which he represents as it is possible for him to do.

I wish to state three particulars briefly in which I believe the House bill was improved upon by the conference report in approaching the provisions of the Senate bill.

The first was the elimination of the provision which in the House bill re-

quired soybean producers and producers of other oil seed crops designated by the Secretary of Agriculture to participate in the reduction of the acreage of corn and grain sorghums in order to obtain price support on soybeans and such other oil seed crops.

That provision should not have been tied into the bill, and I am glad it has been eliminated.

Second, the House bill provided that diverted acreage could be devoted to the production of crops other than feed crops which were not in surplus. I envisioned this to mean vegetables, strawberries, and other crops. I am sure that this would very readily occur to other Members of the Senate, also.

This provision was changed to read "That any producer may elect in lieu of such payment to devote such diverted acreage to castor beans, safflower, sunflower, or sesame, if designated by the Secretary."

This is a desirable change in that it is definitely established that vegetables and fruits cannot be planted on such diverted acreage.

The third point has already been mentioned. Instead of the Secretary of Agriculture having unlimited power to control the actual market price of grain by being able to pour on the market at his discretion any quantity from the Commodity Credit Corporation's huge stock, at prices down to \$1 a bushel, that power is very drastically reduced in the conference report, by permitting him to dispose of grain at values below the support price only in redemption of certificates for payments in kind as covered by agreements with compliers.

I believe those three changes are fine changes in the bill.

The reason I am doubtful about the bill is that I believe anything that would increase price supports would not decrease production very much, if at all. That is what the bill would do. If past performance by corn growers in the heavy-producing areas is any test at all, production will not be decreased very much.

I tried to place a provision in the bill requiring a signup of 80 percent before the program could be put into effect, and then I reduced it to 70 percent, so that there would be an adequate group coming in to promise some success before the program could actually go into effect. Neither of those suggestions was received with favor by the Senate committee or by the conference committee.

I am doubtful as to the usefulness of the bill. I hope it may prove to be more useful than I think it will be. I cannot help concurring in many respects with what the Senator from Iowa has said in his remarks, and with what the Senator from Wisconsin has said about farmers signing up.

I believe that there are numerous dilemmas in connection with the bill, and I wanted to put my position clearly on the record, in joining the able chairman of the committee and chairman of the conference committee in bringing about a most decent bill and in trying to make the conference as nearly in accord with the Senate-passed bill as it was possible for us to do.

Mr. HICKENLOOPER. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield if I have time. May I have 1 additional minute?

Mr. HICKENLOOPER. I will yield a minute to the Senator from Florida from the time on this side. I was called out of the room to answer the telephone. I do not know whether the Senator from Florida discussed the question whether the bill will be, in effect, a bill to have the price of feed grains controlled by the Secretary of Agriculture.

Mr. HOLLAND. That was the objective of the Secretary. There is no doubt about it. We all heard his testimony. That was much more the objective of the House bill than it is of the conference report. To some degree, it still remains the objective of the conference report.

Mr. HICKENLOOPER. I believe it is the objective of the Secretary to control the price of corn. I merely want to call as witnesses to my understanding a couple of statements made in the other body yesterday on this subject. I refer to page 4149 of the RECORD. The gentleman from Illinois Mr. ARENDS asked the chairman of the House Committee on Agriculture this question:

But the price of corn for any farmer who does not go into the program will be controlled by the Secretary of Agriculture.

Mr. COOLEY. That is right.

Through this colloquy, it is established that even the proponents of the bill believe it is designed, in effect, to control the price of corn. I insist that that is diametrically opposite to the programs we have attempted to establish in the past, even though they may not have been successful. But we have moved in that direction for the benefit of the farmer, to enable him to secure the best possible economic return.

Mr. HOLLAND. Mr. President, how much time remains on this side?

The PRESIDING OFFICER. The Senator from Louisiana has 7 minutes remaining; the Senator from Illinois has 22 minutes remaining.

Mr. HOLLAND. Mr. President, I understood the Senator from Iowa had offered to yield me 2 minutes from his side.

Mr. HICKENLOOPER. I yield 2 minutes from our time.

Mr. HOLLAND. I thank the Senator from Iowa. Of course, I agree completely that the original objective of the bill was to control the price of corn. I do not feel that it will accomplish the second purpose—the control of production—at all. I so stated in our committee, on the floor, and in the conference committee, as the Senator well knows.

I also feel that it is very clearly established that the conference report is much closer to the Senate version than was the House bill. It was for that reason that I was willing to try to work out a bill in that direction, and signed the conference report. I still have great misgivings about the effectiveness of the bill.

The Senator from Iowa will remember that in conference committee I strongly called attention to the same fact he has just mentioned, namely, that all three of the bills turn the price support operation in a direction completely away from

that in which the program has worked heretofore.

Mr. HICKENLOOPER. I agree that the Senator from Florida did just that in the conference committee.

Mr. HOLLAND. I thank the Senator from Iowa.

Mr. DIRKSEN. Mr. President, I yield myself 5 minutes.

First, I think the distinguished Senator from Louisiana entirely kept faith with the Senate in pursuance of the request I made of him when this measure was first before the Senate, because I did limit that to the possible reinclusion of section 3 in the Senate bill. Section 3 was not reincorporated in the bill. Instead, the conference report took a different turn, and there was a modification of the language.

The first objection I have to utter with respect to the report is with respect to the question of choice. I reread the President's farm message. There he constantly emphasized that there should be a choice on the part of the producer, that the man who tills the soil should have the word as to how he should participate and how he should be paid. We depart from that thesis in the conference report, if I read it correctly, because it is not the producer who will determine how he will be paid on the 20-percent acreage scaledown; it is the Secretary who will make the choice for him. If I am wrong about that, then I should like to have some Senator who is familiar with the subject correct me. However, that is the way I read the report. So the first major departure is that the choice is in the hands of the Secretary instead of the producer.

That fact brings up the second objection, namely, that the Secretary of Agriculture, on the first 20 percent of the scaledown, can simply say to the farmer—and if I am wrong, I shall ask the distinguished Senator from North Dakota [Mr. YOUNG] to correct me—"You will be paid in kind, not in cash." The farmer may want cash. That would have been the better way to proceed, and I think that would have taken some of the offensive quality off the conference report.

However, when the Secretary says, "You will take payment in kind whether you like it or not," then the residual question is: How much participation is there? How much grain in kind will move out into the hands of the farmers? If I am correctly advised, the normal grain market is, in any normal year, between April 1 and October 1, about 500 million bushels of feed grain.

The distinguished Senator from Kansas [Mr. CARLSON] nurses the conviction that there will not be substantial participation in the program. If that be the case, obviously it would not reach that kind of level of outflow of surplus grain. But if it does, then the question is: What will be the impact upon the price structure at the very time we are trying, in the bill itself, to improve the income lot of the farmer?

So the question of choice has been put into the hands of the Secretary. If I were sitting in his seat, I might do the same thing I have suggested he would do. I might simply say, "You will take

it in kind whether you like it or not." That is a clear departure and a complete departure, in fact, from the spirit of the farm message which the President sent to Congress.

It is anybody's guess, then, what the impact of these moving quantities of surpluses will be upon the market at the very moment when corn goes into the soil, and we see Minnesota, Illinois, Iowa, the Dakotas, Nebraska, and Indiana dotted with all those dainty green sentinels which will be standing up there, waving in the wind before too long; and the farmer will have some deep concern as to exactly what will happen to the price when that crop finally matures.

So section 3 was not incorporated, but language was incorporated which, in my considered judgment, will reach, not entirely, but in substantial degree, the same result.

There is one other item I shall discuss. The report provides that there can be an advance payment of 50 percent of what is due. Already a meeting has been set in Omaha, in the State of the distinguished Senator from Nebraska [Mr. HRUSKA]. I was given this morning a copy of a telegram which was sent to some of the farm leaders in Chicago, stating that the Secretary will be out there very shortly. He will make a speech. There will be a press conference. The farm people will be filled in on the details. They will be told that they can get 50 percent before performance.

Have we done that before? Have we given farmers 50 percent before they ever performed a lick under a contract to reduce acreage so as to achieve a desired result? If we have, then I take back what I have said. But I am not familiar with any advance payment which has ever been made. But the provision is there just as clear as crystal and just as clear as print can make it. To make certain that I am not guessing, I read the language from the conference report:

The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

Am I wrong? Or am I right? Am I correct in stating what that language means? That is what those words say to me.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. DIRKSEN. I yield myself 2 additional minutes.

Mr. MILLER. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. MILLER. Will the Senator tell us how much the bill will cost in the way of appropriations?

Mr. DIRKSEN. We do not know. The only estimate we have at the moment is an indication by the Secretary, and perforce the President in his message, that the bill might save \$500 million over and above the existing program, the program now on the statute books, which is a guess.

Since this discussion began I am advised that there has been resort to ad-

vance payments, but I doubt very much that the circumstances under which they were made are comparable to the situation which confronts us in the pending measure.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. WILLIAMS of Delaware. I saw the President's message in which he estimated that this would save about \$500 million. However, I was interested to note that yesterday he suggested he would ask Congress for \$442 million over and above the budget to pay the increased cost of the program. How the two statements can be reconciled, I do not know.

Mr. DIRKSEN. As a matter of fact, I make no endeavor to reconcile them. But I am not happy with this whole program.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Illinois yield? I note that he has been asking me questions.

Mr. DIRKSEN. Well, Mr. President, the Senator from North Dakota is my agricultural mentor. I sit at his feet, as a pupil. [Laughter.]

Mr. YOUNG of North Dakota. I thank the Senator from Illinois.

Mr. DIRKSEN. That is, in regard to everything except where wheat is concerned. [Laughter.]

Mr. YOUNG of North Dakota. The Senator is concerned about the provision which would permit the Secretary of Agriculture to sell feed grains for the first time below 105 percent of price support. That is the grain turned over to him by the farmer, for the payment-in-kind program. This provision, if used unwisely, could to some extent depress the market. But the grain trade will know exactly how much grain of this kind there will be all the time; and with the Department of Agriculture now holding 2,700 million bushels of feed grains, it can have a fire sale of feed grains, of as much as it wants to, at almost any time. That has been going on for years; but the corn sold by the Department often has been good corn; and those who are feeders have been buying it.

Mr. DIRKSEN. I think there is no question that it is preferable to section 3 as it was in the bill when it was first messaged to the Congress.

But in the law it is recited that the Commodity Credit Corporation policy should be so pursued that manufacturers, processors, and others who use these commodities can pursue an orderly course in building inventories, knowing, of course, that they are not going to be clouted by some Federal agency.

The PRESIDING OFFICER. The time the Senator from Illinois has yielded to himself has expired.

Mr. DIRKSEN. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 2 additional minutes.

Mr. DIRKSEN. As I was saying, Mr. President, knowing, of course, that they are not going to be clouted by some Federal agency exactly when they are not

looking for it, and then suffer substantial loss, although not always disaster.

So, Mr. President, under those circumstances I do not detract for a moment from the effort the Senate conferees made, because I know that the House conferees are rather tough negotiators; I know, from away back and from long experience, how they negotiate. But I believe I would be less than candid if I did not set forth to the Senate my own assessment of this matter, and then come to what I consider the logical conclusion; and that conclusion is that I must vote against the conference report. I shall leave the entire case right there.

Mr. HRUSKA. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. Let me ask how much time the Senator from Nebraska wishes to have.

Mr. HRUSKA. About 3 minutes.

Mr. DIRKSEN. Mr. President, let me inquire how much time remains under my control.

The PRESIDING OFFICER. Eleven minutes.

Mr. DIRKSEN. I yield 4 minutes to the distinguished Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 4 minutes.

Mr. HRUSKA. Mr. President, it is my intention to vote for the conference report. I shall do so somewhat reluctantly, because it contains a number of features which still are most undesirable. They have been modified and eased a little bit, as compared with the original proposals. Nevertheless, in several respects they are not at all desirable on a long-term basis. They are sufferable on the basis of a measure which will be in force for only 1 year.

Among the objections which still inhere are the ones enumerated by the Senator from Iowa; namely, that for the first time we shall have a measure which will seek to impose a ceiling as well as a floor on the support price of these feed grains.

Secondly, this measure still contains a provision giving the Secretary the power to sell. That provision has been modified and curtailed somewhat, and now the amount is not only predictable, but is limited in quantity. Nevertheless, the conference report provides power to sell which was considered much too great a power for any one person to wield without having any limitations upon it.

This measure also contains, for the first time, a provision for bushelage control.

Another point I wish to make is the one made by the Senator from Illinois, in regard to the choice being in the hands of the Secretary, rather than in the hands of the producer, as to whether he shall be paid in cash or in kind. I wish to say that in voting for the conference report, I shall not consider it a precedent on my part or on the part of this body for approving these features which are objectionable. The only warrant for going along with them is the fact that this measure is for a period of 1 year, for a period one grow-

ing season, and therefore is stopgap in nature.

There is one point upon which I can scarcely refrain from commenting. It is that during the many political campaigns since 1952, there have been constant pledges and promises that there would be a restoration of 90 percent to 100 percent price supports. But here, for the first time when those campaign promisors have the unqualified and unrestricted power to do something about it and to achieve those goals, there is fixed, and there will be fixed by word of the Secretary of Agriculture now in office, not 90 percent, not 100 percent, but 74 percent of parity—\$1.20 per bushel for corn. This indeed is revealing.

One final point: In the treatment received by this measure, whereby legislation is made possible, we find the strongest possible refutation of the plan suggested by the President in his message last week on the long-range farm bill, for farm bills to be formulated by commodity advisory committees and sent to Congress for its veto. Because unless we have that give-and-take between the House and the Senate, by a legislative body which represents all the people and all the interests involved in the agricultural program, it will be difficult, if not impossible, to reach a measure which will be sound and workable at the same time.

Let me say that I have prepared a brief statement in regard to how this plan will work and just what it provides. I ask unanimous consent that the statement be printed at this point in the RECORD.

Mr. President, I yield the balance of the time available to me.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

In brief, the conference report bill does the following:

1. Authorizes the Secretary to set for 1961 the price support for corn at not less than 65 percent of parity. Price support in 1961 is limited to a volume of corn and sorghum equal to the normal 1959-60 production of these grains.

2. Directs the Secretary to establish a voluntary special agricultural conservation and land retirement program for 1961 for corn and grain sorghum farmers. Under this program he would:

(a) Make payments to participating farmers in cash and/or in kind. Payments in cash and/or in kind on the first 20-percent reduction are calculated at the basic county support rate times 50 percent of normal production. Payments in kind on up to an additional 20-percent reduction are calculated at the basic county support rate times 60 percent of normal production.

(b) Require a 20-percent diversion of corn and grain sorghum acreage for payments in cash and/or in kind and authorize a 20-percent further diversion for payments in kind.

(c) Require in 1961 a net addition of acreage devoted to soil conserving practices in 1959-60.

(d) Require weed, insect, and rodent control on the retired acreage.

(e) Allow producers to meet the 20-percent land retirement requirement, in lieu of payments, by planting safflower, sunflower, sesame, and castor beans, if designated by the Secretary.

(f) Allow small corn-sorghum farmers—those planting 20 acres or less in 1959-60—to place their entire acreage in the program.

(g) Allow prepayment, of up to half of payments, before determination of compliance.

3. Provides that certificates issued to farmers would be expressed in dollars and redeemable in CCC feed grains—corn, oats, rye, barley, grain sorghum—at current market prices. The Secretary may assist in marketing certificates. Redemption of certificates must be within 30 days or certificates discounted. Provision made for sharing of certificates among all producers on the farm.

4. Requires that producers of corn, grain sorghum, and any other feed grain designated by the Secretary must participate in the land retirement program for corn and grain sorghum in order to be eligible for price supports.

5. Authorizes a general appropriation and allows CCC to pay administrative expenses from its funds. Also authorizes the incurring of advance obligations, plus the payment-in-kind costs.

6. Requires the Secretary to submit a report to Congress within 90 days showing the general operation and results of the program.

Mr. CARLSON. Mr. President—

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the senior Senator from Kansas [Mr. CARLSON].

The PRESIDING OFFICER. The Senator from Kansas is recognized for 2 minutes.

Mr. CARLSON. Mr. President, I shall vote for the conference report. I believe that the conferees on the part of the Senate are entitled to much credit for bringing back the report in the form in which they have presented it today.

The first reason why I shall vote for the conference report is that the Secretary of Agriculture has stated that it should increase farm income by 12 percent; and I want the Congress to give the Secretary of Agriculture an opportunity to achieve that goal. As a matter of fact, I shall be very happy if that situation prevails.

The second reason is that this is a voluntary program. Every farmer will have an opportunity to review his farm operations and then determine whether he wishes to enter the program.

I can assure the Senate that these farmers are good business people and understand farm operations; and, in my opinion, in view of the way this measure is now written, the reduction of acreage compliance with the program will be greatly limited.

If the committee had included in this measure a provision that the first 20 percent of acreage reduction would be paid in cash, I think the compliance would be much greater.

I have heard Senators make statements about 70 percent compliance. I do not wish to attempt to be a prophet, of course; but I think the Department will be happy if there is 33⅓ percent compliance.

Knowing the farm situation as I do, I sincerely hope the Secretary of Agriculture will not throw on the open market the grain he will be permitted to sell as the result of the acreage taken out of production, and thus force down the prices to an extent that will reduce the income of the farmers. The Secretary will have to determine that; and we have faith in him. Therefore, I shall

leave it in his hands, in the hope that he will deal fairly with the farmers.

The PRESIDING OFFICER. The time yielded to the Senator from Kansas has expired.

Mr. ELLENDER. Mr. President, I yield 3 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I first wish to commend the chairman of the committee and our conferees for the results they were able to obtain in this important conference on the 1961 feed grains program. The fact is that the Senate conferees were able to remove, it seems to me, many of the objections to what was described as being the authority of the Secretary to unduly depress the price of feed grains in case of failure of compliance.

The bill boils down to two or three simple propositions: The first is that it is designed to improve the price of feed grains. Second, it is designed to cut down production of feed grains, and thereby cut into the available surpluses in the hands of the Commodity Credit Corporation. Third, it is designed to give the Secretary of Agriculture a degree of flexibility in bringing about compliance with the acreage reduction and production reduction parts of the program.

The bill provides that, in order to come under the price support provisions, which are set at \$1.20 on a national average for corn, a farmer must take 20 percent of the acreage which he had in production for the 2-year period 1959-60 out of production.

The bill provides that a farmer can take out, on a voluntary basis, another 20 percent. That latter 20 percent will be paid for by the option of either planting certain crops not in surplus, which are listed, or by payment in kind up to 60 percent of the average production of the acres retired.

The 20 percent that is taken out because of the compulsory features of the bill will be paid for at 50 percent of the normal production times the support price for the particular crop. This will be paid either in cash or in kind on the basis of a negotiable certificate.

If the farmer takes acreage out of production, he will receive a negotiable certificate. He may have the Commodity Credit Corporation act as his agent, and thereby sell into the market the amount of grain in storage presently by the Commodity Credit Corporation equal to the amount he is to be paid for compliance.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. May I have half a minute more?

Mr. ELLENDER. I yield one-half a minute to the Senator.

Mr. HUMPHREY. He may, if he does not wish to do that, receive it all in kind.

The purpose of the measure is to stabilize the market, on the one hand, and not to give the Secretary too much power, in the event he wanted to be indiscreet in any way in his exercise of the power—and I can assure the Senate he will not be. But, at the same time, it

also gives the Secretary the authority to back up a crop reduction program by payment in cash or in kind, at the option of the farmer, when he asks the Commodity Credit Corporation to act on his behalf.

I wish to thank the chairman of the committee for doing what I think is a creditable job. The bill does not go as far as perhaps is required, but it is an emergency program for 1 year, and it deserves to be tried.

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. KUCHEL. Mr. President, the minority yields 3 minutes to the Senator from Indiana [Mr. CAPEHART.]

Mr. CAPEHART. Mr. President, I wish to ask the chairman two or three questions. My first question is, Does the proposed legislation in any way affect the total amount which can be paid to an individual farmer?

Mr. ELLENDER. No. It does not limit the total amount which may be paid to an individual farmer.

Mr. CAPEHART. The Senator is aware of the fact that there is a law which limits the amount which can be paid to any one individual farmer. Is he not?

Mr. ELLENDER. There is no limitation provided in the bill. Limitations relating to participation in the Soil Bank Act programs do not apply to the bill.

Mr. CAPEHART. Under the proposed act, the Secretary can pay a farmer an unlimited amount. Is that correct?

Mr. ELLENDER. The amount is not entirely unlimited. The payment rate is limited but there is no overall limitation in addition to the payment rate limitation.

Mr. CAPEHART. My second question is, Soybeans, of course, are not affected in any respect. Is that correct?

Mr. ELLENDER. The Senator is correct. The law is not changed in that respect at all.

Mr. CAPEHART. My third question is, If a farmer reduced his corn production by 80 or 40 or 10 acres, could he feed cattle or livestock on the acreage, provided he did not grow any grass or any other crop that could be eaten?

Mr. ELLENDER. That matter would be left to the discretion of the Secretary of Agriculture. I doubt whether the Secretary would issue an order giving that kind of freedom, because in almost any part of the country grass does grow on the diverted acres.

Mr. CAPEHART. Suppose it could be proved that, so far as grains or other feed of any kind are concerned, the acreage would be as barren as is this floor.

Mr. ELLENDER. That situation might prove to be true in one case, and not in another. The law gives the Secretary authority in that respect.

Mr. CAPEHART. One of the possible troubles with the proposed law is that it gives the Secretary too broad power, in my opinion, with regard to conservation matters.

Mr. ELLENDER. The Senate version of the bill was specific in that it contained everything the Secretary could do.

Mr. CAPEHART. As the proposal now is before the Senate, it would be left entirely to the discretion of the Secretary. Is that correct?

Mr. ELLENDER. That is correct.

Mr. CAPEHART. I thank the Senator.

Mr. ELLENDER. Mr. President, I yield 4 minutes to the Senator from Missouri [Mr. SYMINGTON].

Mr. SYMINGTON. Mr. President, after many years on the Senate Agriculture Committee, it became my feeling that the basic problem facing agriculture is comparable to what often faces any other business, namely, the danger of excess inventories. So we face the problem of how to reduce those inventories, and also how to have a law which would assure these same inventories would never again reach the size they have attained in recent years.

In 1956 the price of corn was about \$1.50 a bushel. In 1952 the price was considerably higher than that. In 1952 the Government inventories of corn amounted to 313.9 million bushels. In 1956 this had increased to 702.1 million.

In 1961 the Government inventories reached an all time high of 1,465.2 million bushels.

As the inventories of corn went steadily up, the price of corn and other feed grains received by farmers went steadily down. Many persons are sincere in believing that situation was due to the law. But after studying the matter, I am convinced it did not occur because of the law, but because of the way the law was administered.

Now, for the first time, we have a bill before the Senate which should make it possible, as I read it, for the Secretary of Agriculture to control at least to some extent, the future production of feed grains. I had hoped he would receive the same type and character of authority he asked for in the beginning, because I am certain with that type of authority he could have controlled production better than he can under the law we will pass today.

On the other hand, inasmuch as the price of corn has gone down steadily in recent years, and inasmuch as the amount of corn owned by the taxpayers has gone up steadily, I am convinced that the law which has been proposed by the Senate and House Agriculture Committees, the committee in this body being headed by the able Senator from Louisiana [Mr. ELLENDER], will be a step forward, not only for the farmer of this country, but also for the taxpayers, because the latter is the one who ultimately pays for all the surplus grain that goes to storage.

So I shall vote for the conference report. I do not think the bill is as good as it might be, but I am certain the results are going to be better in 1961, as a result of enacting this bill, than they have been in recent years.

I believe there is a good chance these gigantic stocks will go down, and as a result of the increase in price supports, the return to the farmer will go up.

Mr. KUCHEL. Mr. President, I yield 1 minute to the Senator from Connecticut.

Mr. BUSH. Mr. President, I announce my continued disapproval of the feed grains bill and the conference report and shall vote against the report. I ask unanimous consent that two telegrams be printed at this point in the RECORD following my remarks.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

HARTFORD, CONN., March 17, 1961.

Senator PRESCOTT BUSH,
Senate Office Building,
Washington, D.C.:

Urge that you oppose acceptance of conference committee report on H.R. 4510. In final analysis bill is not changed, bill will not reduce cost as much as claimed. Continues old price-support program with authority for Secretary to raise support levels for some feed grains. Such will more than offset attempts to reduce acreage. Northeast dairy and poultry producers will be adversely effected by higher grain prices, and possibility of increased competition from mid-western dairy and poultry production.

EDWARD F. DICKAU,

President, Connecticut Farm Bureau Association.

HARTFORD, CONN., March 18, 1961.

Hon. PRESCOTT BUSH,
Senate Office Building,
Washington, D.C.:

We greatly appreciate your action with reference to feed grains bill and urge you to continue to oppose the compromise bill.

Norman Little, Rocky Hill; Frank Morris, Wethersfield; David Anderson, Wethersfield; John Hays, Rocky Hill; William Collins, Rocky Hill; Frank Wurdig, Bloomfield; George Bragdon, Jr., Rocky Hill; Stephen Boyko, Windsor; Charles Canfield, Rocky Hill; John Lukens, Windsor; Robert De Pietro, East Hartford; John Meisterling, Rocky Hill; William D. Morgan, Wethersfield.

Mr. KUCHEL. Mr. President, if no other Senator desires to speak in opposition, the minority is prepared to yield back the remainder of its time, provided the majority does likewise.

Mr. ELLENDER. Mr. President, we have no time remaining.

The PRESIDING OFFICER. The time of the majority has expired. Does the minority yield back its remaining time?

Mr. KUCHEL. Mr. President, the minority does.

Is it in order, Mr. President, for the absence of a quorum to be suggested?

The PRESIDING OFFICER. It is.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the conference report. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. EASTLAND]. If he were pres-

ent and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I therefore withhold my vote. The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Tennessee [Mr. GORE], the Senator from North Carolina [Mr. JORDAN], are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ], is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY], is necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE], and the Senator from North Carolina [Mr. JORDAN] would each vote "yea."

On this vote, the Senator from Vermont [Mr. AIKEN] is paired with the Senator from North Dakota [Mr. BURDICK]. If present and voting, the Senator from Vermont would vote "nay" and the Senator from North Dakota would vote "yea."

On this vote, the Senator from Connecticut [Mr. DODD] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Connecticut would vote "nay" and the Senator from Tennessee would vote "yea."

On this vote, the Senator from Texas [Mr. BLAKLEY] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Texas would vote "nay" and the Senator from New Mexico would vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent by leave of the Senate.

The Senator from Vermont [Mr. PROUTY] is absent by leave of the Senate because of illness.

On this vote, the Senator from Vermont [Mr. AIKEN] is paired with the Senator from North Dakota [Mr. BURDICK]. If present and voting, the Senator from Vermont would vote "nay" and the Senator from North Dakota would vote "yea."

The result was announced—yeas 58, nays 31, as follows:

[No. 21]

YEAS—58

Bartlett	Hill	Moss
Bible	Hruska	Mundt
Cannon	Humphrey	Muskie
Carlson	Jackson	Neuberger
Carroll	Johnston	Proxmire
Case, S. Dak.	Kerr	Randolph
Church	Lausche	Russell
Clark	Long, Mo.	Schoeppel
Cooper	Long, Hawaii	Smathers
Curtis	Long, La.	Smith, Mass.
Douglas	Magnuson	Sparkman
Dworshak	Mansfield	Stennis
Ellender	McCarthy	Symington
Engle	McClellan	Talmadge
Ervin	McGee	Wiley
Fulbright	McNamara	Yarborough
Gruening	Metcalf	Young, N. Dak.
Hart	Monroney	Young, Ohio
Hartke	Morse	
Hayden	Morton	

NAYS—31

Allott	Bennett	Bush
Anderson	Boggs	Butler
Beall	Bridges	Byrd, Va.

Byrd, W. Va.	Hickey	Saltonstall
Capehart	Holland	Scott
Case, N.J.	Javits	Smith, Maine
Cotton	Keating	Thurmond
Dirksen	Kuchel	Williams, N.J.
Fong	Miller	Williams, Del.
Goldwater	Pastore	
Hickenlooper	Pell	

NOT VOTING—11

Aiken	Dodd	Kefauver
Blakley	Eastland	Prouty
Burdick	Gore	Robertson
Chavez	Jordan	

So the conference report was agreed to. Mr. JACKSON. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. ELLENDER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MILLER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement I have prepared in explanation of my vote on the conference report on the feed grains bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATION OF VOTE OF SENATOR JACK MILLER

I voted against the conference report on H.R. 4510, providing a special program for feed grains for 1961 because I am convinced the proposed bill is unfair, administratively unworkable, and worst of all will not result in reduction in production commensurate with the cost of the program.

The bill is unfair because it uses the 1959-60 crop acreage as a base. This discriminates in favor of farmers who have overplanted their farms with corn and who will thus have a high base for support prices, and against farmers who have used good crop rotation practices and will consequently have a lower base acreage for crops eligible for price support. I recognize that the bill provides that the Secretary may make adjustments in acreage for 1959-60 "to give due consideration to * * * crop rotation * * *", but without more specific standards such a provision is meaningless and administratively unworkable. The bill is unfair to grain farmers who do not have an option of being paid in cash or in kind on the first 20 percent of their retired acres. Instead, it is the Secretary of Agriculture who has been given the option of making payment in cash or in kind. Grain farmers are thus put at the mercy of the Secretary's discretion, and Congress itself has no way of knowing how much cash money will have to be appropriated.

The bill is administratively unworkable because of lack of specific standards and also because of use of the 1959-60 yield as a basis for payment of support prices and for retirement payments. In my own State of Iowa there are thousands of farmers who feed all of their grain. No one has any accurate statistics for their 1959-60 yields.

Finally, I do not believe the bill will bring about a reduction in production commensurate with the cost to our taxpayers. The bill limits support prices to the average yield per acre for 1959-60, but this will not result in complying farmers limiting their yields to such a base. They would be very foolish if they did not overplant as insurance against drought and other conditions so that their yields will give them the maximum yield for which they can receive price supports. The excess will either be sold in the open market or will be fed—adding to and not cutting down on the yield on the nonretired acres. Moreover, noncomplying farmers will be encouraged to overplant in 1961 in order to have a high 1961 acreage

in case Congress uses 1961 as one of the base years in a long-range farm program.

In conclusion, I recognize that there can be honest differences of opinion on any measure such as this. However, there has been too much philosophy running through consideration of the feed grains legislation to the effect that "We must have a farm bill," "After all, it's only for one year anyhow," and "Regardless of its shortcomings there will be some improvement." In my humble judgment, we have too much bad legislation on the books already as a result of such philosophy. It is not fair to the farmers of America to have a proposition put to their representatives in Congress that "You will take this or nothing."

The PRESIDING OFFICER. Under the unanimous-consent request, the Senator from Oklahoma [Mr. KERR] is recognized.

TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1961—CONFERENCE REPORT

Mr. KERR. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4806) to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of March 21, 1961, pp. 4135-4136, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. KERR. Mr. President, I call up the conference report on H.R. 4806, a bill to provide a temporary program of extended unemployment compensation, and to provide for a temporary increase in the Federal unemployment tax rate.

The Senate made four principal amendments to the bill as it had been passed by the House. The first Senate amendment provided for a reduction of temporary unemployment compensation received by an individual because of the concurrent receipt by him of a social security benefit, a civil service retirement annuity, an amount under any other Federal or State retirement system, or under a private retirement plan contributed to by an employer. Under the Senate amendment, there would have been no reduction on account of disability benefits or on account of benefits received from the Veterans' Administration by an individual 65 years of age or over. The House conferees accepted this amendment with an amendment. Under the conference agreement temporary extended unemployment compensation will be reduced by amounts received as a retirement pension or annuity under a public or private retirement plan provided, or contributed to,

Public Law 87-5
87th Congress, H. R. 4510
March 22, 1961

AN ACT

To provide a special program for feed grains for 1961.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection:

“(c) Notwithstanding any other provision of law—

“(1) The level of price support for the 1961 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn and grain sorghums shall be made available on not to exceed the normal production of the 1961 acreage of corn and grain sorghums of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

“(2) The Secretary shall require as a condition of eligibility for price support on the 1961 crop of corn, grain sorghums, and any other feed grain which he may designate that the producer shall participate in the special agricultural conservation program for 1961 for corn and grain sorghums to the extent prescribed by the Secretary.”

SEC. 2. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

“(c) Notwithstanding any other provision of law—

“(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1961, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums to an approved conservation use and increase their average acreage devoted in 1959 and 1960 to designated soil conserving crops or practices by an equal amount: *Provided, however,* That any producer may elect in lieu of such payment to devote such diverted acreage to castor beans, safflower, sunflower, or sesame, if designated by the Secretary. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn and grain sorghums in the crop years 1959 and 1960 or up to twenty acres, whichever is greater. Such payments in cash or in kind at the basic county support rate may be made on an amount of corn and grain sorghums not in excess of 50 per centum of the normal production of the acreage diverted from corn and grain sorghums on the farm based on its average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 20 per centum of such corn and grain sorghum acreage. Payments in kind on such additional acreage may be made at the basic county support rate on an amount of corn and grain sorghums not in excess of 60 per centum of the normal production of the acreage diverted from corn and grain sorghums on the farm based on its average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage

Feed grain program, 1961.
72 Stat. 994.
7 USC 1441 note.
Price support.

Conservation.
49 Stat. 1151;
70 Stat. 1115.
16 USC 590p.

75 STAT. 6.
75 STAT. 7.

and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, and topography. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

“(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(c). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1961, and to pay such costs as may be included in carrying out section 3 of the Act which added this subsection to this Act.

“(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.”

Payment by
certificates.

SEC. 3. Payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the 1961 Feed Grain Program authorized by this Act. In the case of any certificate not presented for redemption within 30 days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning 30 days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

Report to
Congress.

SEC. 4. Not later than 90 days after the effective date of this Act the Secretary shall submit to the Congress a detailed report, including estimates where final figures are not available, setting forth but not limited to the number and percent of cooperators under this Act, the acreage retired from production by States, the cash payments made, the quantity and kind of feed grains made available under the payment-in-kind provisions of the Act and the value thereof, the overall cost of the program, the estimated savings compared with the program in effect before this Act became effective, and such other information as will indicate the progress, cost, and reduction of surpluses under this Act.

Approved March 22, 1961.

March 22, 1961

Office of the White House Press Secretary

THE WHITE HOUSE

FOLLOWING IS A STATEMENT OF PRESIDENT
JOHN F. KENNEDY

I have today signed into law H.R. 4510, providing an emergency feed grain program for the 1961 crop. I am gratified that the Congress moved so promptly in enacting this legislation. Congressmen from the North, East, South and West voted for this program for agriculture which serves the best interests of all the American people.

The emergency feed grain act will enable us to make headway this year toward stemming the flow of feed grains while giving us time to develop more satisfactory permanent legislation. It is a very important step toward learning to live with our agricultural abundance.

This new law will help us to accomplish the following objectives:

1. An increase in farm income.
2. An abundant supply of meat, eggs and dairy products at fair and stable prices.
3. A reduction in the cost of the farm program to the government.
4. A curtailment of the surplus in feed grains which has reached almost unmanageable proportions.

The Congress has given us a workable program for moving toward these objectives. The extent to which this program will succeed in meeting its goals depends upon the degree of participation in the program by farmers. It is in the interest of every eligible farmer to participate in this program.

It will bring him additional income this year. But even more important, it will lay the groundwork for a long range program that will assure increasing prosperity for American farmers in the years ahead.

It requires the cooperation of every farmer to make it work. And it is to this task that we now must hasten. I urge every farmer who can do so to participate in the program both in his own interest and for the sake of the whole country.

